NATIONAL WEEKLY

Social Justice

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ALIEN BRIDGES SEEKS AMERICAN CITIZENSHIP

LANDIS REPORT EXCUSES RED LEANINGS OF WEST COAST C.I.O. CHIEFTAIN

BECAUSE his activities were ruled to be merely those of an "energetic radical," and not those of a "Communist," Mr. Harry Bridges plans to seek American citizenship "at the earliest possible opportunity."

The Australian leader of C.I.O. labor on the West Coast made this announcement shortly after Trial Examiner James M. Landis, dean of Harvard Law School, published his finding that Bridges was not deportable as an alien Communist who seeks, through force and violence, to overthrow the Government of the United States.

Thus, if his petition for citizenship is acted upon favorably, this "energetic radical" will pledge himself to uphold the Constitution, and in turn will be clothed in the rights, privileges and protections which that Document extends to all other citizens of the United States.

Is it advisable to extend to an alien of Mr. Bridges' history and character the privileges of American citizenship? In his report Dean Landis acknowledged that Bridges had "welcomed aid and help from Communists during strikes"; that he had associated "with persons admittedly Communists," and that he sympathized "with many of the objectives that the Communist Party has at times embraced."

The preamble to the *Constitution* recites: "We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution . . ."

It is difficult to conceive how "domestic tranquility" can be furthered by an agitator who has lived, grown and prospered on the promotion of violence, uprising, terrorism and class warfare—the cardinal points in the Bridges' philosophy.

It is equally difficult to conceive how the "common defense" can be aided by a Bridges who admittedly consorts with Communists devoted to Soviet Russia; admits them into his labor associations without discrimination; sympathizes with their objectives which add up to revolution, and uses them for political purposes.

And, above all, it is impossible to reconcile the Bridges gospel of violence and class hatred with the Constitutional objective of promoting the "general welfare."

It could be said that "Bridges has changed," that he is content to let the old program of class warfare, and the proposed abolition of the employing class, lapse. But this argument does not stand in a court of citizenship.

Just a few weeks ago a former political figure of Nazi Germany, Kurt G. W. Ludecke, was denied citizenship in a Detroit hearing by a Federal judge who rejected his plea that "the old Ludecke is dead." The judge held that his former record stood fast, and that the argued transformation was unconvincing. The same must be said for Harry Bridges.

TRUTH ABOUT MONEY CHALLENGE TO EDITORS
By Rev. Dermot McArdle, C.P.

★

SECRET TREATIES ARE CHIEF CAUSES OF WAR

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LENDING MONEY WITHOUT INTEREST
By Louis B. Ward

DINNER CHAT
By the Staff

A Program of Positive Principles

FATHER COUGHLIN'S broadcast on New Year's Sunday laid down a program of positive principles for the nation as we face 1940 and a new decade. No comment by SOCIAL JUSTICE could improve upon their direct quotation.

"No one knows what the next ten years holds for us," Father Coughlin said. "Nevertheless, there are basic principles which, it seems to me, should be incorporated in a program which aims at abolishing not only the abuses of an ancient financial economy but in preserving our liberties against the advances of atheistic Communism.

"First: The causes of the class struggle, of class hatred which lure innocent men into Communism, must be uprooted.

"Second: Liberty of conscience, of religion, of pulpit, of press, of radio and of education must be safeguarded.

"Third: Partyism must bow before patriotism if our republican form of government and our American democracy will be preserved. Recognize that nations that have gone the way of Communism, Fascism or Nazi-ism have gone there for one of two reasons or for both: the first, because the old abuses of modern capitalism atrophied the true teachings of Christian social justice; and second, because politicians too often became the servants of one class, willing to sell their birthright and the birthright of their fellow citizens for the ephemeral aggrandizement of wealth or social position contingent upon their offices.

"Fourth: Let it be the business of Government to initiate and cultivate the production of new wealth by supplying tax free money to industry; by adopting a policy of plenitude rather than scarcity for agriculture; and by insisting upon the payment of a living annual wage for labor.

"Fifth: We must squarely face the unemployment problem. At the end of the decade there are as many men unemployed as there were at the beginning. If necessary, let public works be engaged in by the Government through the agency of private contractors. But normally, let it be recognized that men should be employed profitably by private industry. The key to the employment of labor, then, is an abundant national income equitably divided on the basis of profits for the owners and an annual wage for the worker and production at a profit for agriculture.

"Sixth: Let Government revive the original promise which inaugurated the New Deal—the promise of driving the money changers from the temple, so that the next decade will witness the fulfillment of this pledge.

"Seventh: The great twin brethren of economic destruction—taxes and interest—these must be faced. The usurious interest rates levied upon the poor must be curtailed; the abnormality of exacting from 25 to 33 per cent in taxation from the worker and the farmer must be abandoned.

"Eighth: It is hardly necessary to incorporate in our program the need for keeping this nation out of war. Slogans will not keep us out of war; promises will not keep us out of war. We will keep out of war by refraining from meddling in European political and financial activities and by bending our efforts to protect our own liberties, to eradicate our own evils rather than to protect the liberties and eradicate the evils of those living abroad.

"And above all, let the Christian religion become more than a mask under which we hide our pagan policies. Long enough have we placed our confidence in the hands of politicians who were astute enough to call upon God to be our defender, but worldly-wise enough to disregard God in the practice of Government!"

Let Us Solve Unemployment First

STUDENTS of social justice in America have found much to praise, and emulate, in the programs of Italy, Portugal and Spain, looking in the direction of a right social and economic order. Progressive Ireland also is working toward these social justice objectives.

But, as the *Standard* of Dublin observes: ***"Men must first have vocations before they can be organized vocationally."***

"Our large scale unemployment in Ireland," the paper continues, "is of the sort that is termed 'structural' unemployment; that is to say, *unemployment due to the structural defects in the monetary and economic system.*

"Social justice is a spiritual and intellectual guiding rule which does not act of itself but is assisted by a power. This power, according to Leo XIII and Pius XI, is the State. . . .

"Therefore, full employment at proper wages—the reform that Pius XI told us to make without delay—is an essential prelude to any foundation of vocational organization: for full employment is the major condition for the proper distribution of the products of the nation's work."

There is a very definite connection between national defense and unemployment. "Some Americans," says the *Philadelphia Record*, "seem to be under the impression that the existence of 10-million unemployed assures us of raw material for an army of at least 5-million at any time, without dislocation to industry. . . .

"Actually," the editorial warns, "the long continuance of widespread unemployment is one of the most serious factors in weakening the national defense. . . . The young unemployed group from which enlistments come is one-third more underweight than the general male population of draft age in the World War."

Every year we fail to solve the problem of 10-million unemployed increases the group that is physically sub-standard. Another decade and the problem will be transmitting itself to the second generation, as it already has in England.

Energetic Radicals

NOW THAT a court has decided that Harry Bridges, Australian labor agitator, is not a Communist but only *"energetically radical,"* we may look for our Leftists to make the most of their advantage.

It is not the words used to designate the thing, but the *ideas* and *actions* of men in the advancement of atheistic Communism that gives concern to crusaders for Christian social justice. Revolution is as real, whether it is actually called that or softened by Mr. Browder to a *"quick transition to Socialism."*

"Energetic radicalism" is precisely what His Holiness, Pope Leo XIII, called "eagerness for revolutionary change." The Pope's statements in his *"Rerum Novarum"* are worth remembering:

"The chief thing is the duty of safeguarding private property by legal enactment and protection. . . .

"Most true it is that by far the greater part of the workers prefer to better themselves by honest labor rather than by doing any wrong to others. But there are not a few who are imbued with evil principles and eager for revolutionary change, whose main purpose is to stir up disorder and violence.

"The authority of the State should intervene to put restraint upon such firebrands, to save the working classes from being led astray by their maneuvers, and to protect lawful owners from spoliation."

PAL TAKING INVENTORY

HELLO FOLKS:

I jus' hafta take a few minnuts t' rest, so I thought now would be a good time t' have my weekly visut with ya. Dear me, these're such busy days that y' hafta take 'vantage uv ev'ry split second.

I s'pose y're wonderin' how come we're so busy all uva sudden. Well, I'll tell ya. We're takin' what they call "inventory" 'n I'm tellin' y' it's some job 'round here. Ev'rybuddy hasta check up on ev'rything 'n all sortsa reports hafta be made out 'n checked 'n dubble-checked. Golly! I never knew such things had t' be done before, 'n my poor brain is gettin' dizzy tryin' t' keep up with it. Y' wouldn't think that such a brand new baby's 1940 is could raise such a rumpus with ev'rybuddy. I hope they soon get it all set so's we can settul down again in peace 'n quiet. I'd kinda like t' have a littul time t' run out 'n play in some uv this nice snow we're havin'. Pete's able t' get around now, too, 'n it'd be kinda fun t' get out 'n tussle with him a bit. 'Sides, he needs th' exercise, 'n Mr. Coughlin can't run around with him like I can, even though he is spry f'r his age.

* * *

While I'm wantin' t'be out in our snappy Michigan weather, some uv my friends're gettin' all set t' leave it f'r th' Sunny South. I guess it's all jus' a matter uv taste. I s'pect maybe if the Boss'd take a vakashun down there I'd like t'go with him 'n I s'pose I'd f'rget all about the snow 'n the crisp, cold air that hurts my nostrils when I breathe 'n that frosts my whiskers 'n makes me feel all tingly 'n full uv pep. Yep, I'll bet if he'd be goin' along t' keep me comp'ny I'd kinda enjoy baskin' in th' sun 'n tryin' my luck at swimmin' a bit. Y' know, I've never been closer to th' water than th' hose down in Mother Coughlin's basement where I'm taken ev'ry once in a while t' be scrubbed. Then, too, I'd sorta like t' relax a littul 'n stretch 'n turn 'n toast myself down on one uv those nice sandy beaches I've seen pictures uv.

Well, I might's well stop my daydreamin'—th' Boss isn't gonna take a vakashun, so I guess I won't either. So, t' keep myself in a happy frame uv mind, I'll say I like it here 'n wouldn't change places with ennybuddy down South. 'Sides, keepin' active 'n busy keeps y' young 'n healthy. Relaxin' might make me a softie. That would never do, would it? 'Magine y'r Circulation Manager gettin' lazy! This is a he-man's job, when y' stop 'n think 'bout it, so I guess I'd better stay in trim. This might sound like a case uv sour grapes, folks, but reely, I mean it. I guess it's jus' this inventory business that's made me talk 'bout vakashuns. I don't mind th' reg'lar work atall—it's these extry speshul 'signments that come up that get me down. I have a sneakin' suspishun I'll live through it, though, folks.

* * *

Say, how're y' doin' on th' new contest we're runnin' in SOCIAL JUSTICE? Come t' think uv it, I haven't reminded y' uv it f'r a cuppla weeks. 'Course, I know that y' read our paper from kover t' kover, but sometimes a person'll overlook some item 'r f'rget 'bout it in the rush uv business. So here's th' reminder, 'n when y'take a look at the wonderful prizes, I know y'll get busy 'n write in t' th' Contest Editor for all th' necessary informashun 'n blanks 'n things y'll need t' work with.

Well, my frien's, I guess I'd better get back t' work. It's been nice visutin' with y' again. Take care uv y'rselves 'n don't be runnin' 'round after subskripshuns without y'r rubbers on. We can't be havin' y' ketchin' cold 'n gettin' sick. I hafta think uv these things f'r th' Boss 'n I s'pect y' can stand a littul jackin' up too. So pardon me, folks, if I take it upon myself t' do the jackin'—it's only that I think so very much uv ya that I take th' liberty.

I'll be seein' ya!

—PAL

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New Yorker Martyr for S. J. Cause

His Store Forbidden to Handle Daily Newspapers, While Favored Rival Gets All the Trade

By Staff Correspondent of SOCIAL JUSTICE

BROOKLYN, N. Y.—Mr. Hugh O'Hara is the owner of a small candy and stationery store at 6104 Seventh Ave., Brooklyn, N. Y. He is a Christian, a World War veteran and the father of five children. For the last three years he has depended upon the small profits of his little establishment for his family's sustenance and for the meagre savings to carry him through the later years of his life.

Today, Mr. O'Hara faces a crisis: He is about to lose his store and be thrown on the meagre New York City dole. The reason—he cannot get newspaper distribution agencies to supply him with daily papers to sell to his customers.

Newspapers, as all in Mr. O'Hara's line know, are the lifeblood of the stationery store business. Their sale doesn't yield much return in money—at the most, maybe about $10 a week—but it is an axiom of the trade that the man who buys his daily paper regularly at a certain store will patronize that store when he needs other articles.

In other words, newspapers are the "draw" of the candy and stationery store business. They serve to build up a neighborhood clientele which, through the months and years, becomes acquainted with the store owner and consequently goes to him for candy, stationery and the other lines of goods he happens to carry.

Rival With Papers Gets the Business

A few doors down the street from Mr. O'Hara is another stationery store owned by a non-Christian—a store which is almost a duplicate of O'Hara's establishment except that it has the advantage of carrying all the big New York dailies. As a result, this neighbor's business is as thriving as Mr. O'Hara's is stagnant.

For the last year or so Mr. O'Hara has made a series of exasperated and unfruitful attempts to have newspapers delivered to him so that he could compete successfully with his business rival. When he first applied to the newspapers he was told to see a certain Mr. John C. Mansfield, who has the title of "Circulation Commissioner" of New York City.

It was explained that no company will deliver newspapers to any retail stores or street stands in New York that do not have Mansfield's approval. By a simple headshake, this news commissar can stop the distribution of the important dailies to any newspaper vendor and either force him out of business or cause him to suffer severe financial losses.

Mr. O'Hara learned about this dictatorship over newspaper distribution when Mr. Mansfield turned down his application. No reason was given. The stationery store owner was simply unable to get permission to sell newspapers, in spite of a perfectly clean record and his willingness to put up the necessary deposit. When he appealed, Mr. Mansfield put him off, refused to talk to him on the phone and made it known that he didn't want to see him.

This has been going on now for more than a year. Mr. O'Hara has taken his case up with several religious and patriotic organizations, all with no results. When he consulted a lawyer, he was told that in his case the only way it could be arranged for him to secure newspapers would be "to put up a large sum of money."

Mysterious Visitors Told Him Why

The newspapers were told of this, so was the Mayor; but no action was forthcoming. The only people who could give an adequate explanation for this mysterious discrimination were various subversive agents who visited Mr. O'Hara's store from time to time and told him ***"everything would be fixed if he would only stop selling that filthy sheet from Royal Oak!"***

The "sheet" referred to was SOCIAL JUSTICE National Magazine, which Mr. O'Hara has sold on a stand in front of his shop. Being a veteran follower of Father Coughlin and a believer in the 16 principles of Social Justice, Mr. O'Hara undertook to help the cause by distributing the magazine founded by Father Coughlin. Recently, he has been selling as many as 135 copies a week.

So, until some one can offer a better explanation, it would seem that Mr. O'Hara cannot get daily newspapers *because he has dared to commit the "crime" of selling* SOCIAL JUSTICE. Mr. O'Hara himself is convinced of this, so are investigators for the Holy Name Society, the Catholic War Veterans and the American Legion. To support their evidence are records of other store owners who have been similarly deprived of daily newspapers, and forced out of business for having made the same "mistake."

> Scores of youngsters, and their elders too, have written to Father Coughlin to ask details of his plan for them to earn extra money in a few hours of simple concentrated effort each week.
>
> You, too, may still get in on this truly wonderful opportunity.
>
> There is no complicated form to fill out; simply write your own letter asking about this offer, directly to Father Coughlin, Royal Oak, Mich.

Unable to get newspapers the ordinary way, Mr. O'Hara has taken to buying them from newsstands and re-selling them at cost, just to accommodate the clientele for his store. But even here, he has felt the lash of those unseen powers in control of newspaper distribution. Recently, he was told that it was illegal for a retailer to resell papers bought at regular prices from other vendors.

Every day Mr. O'Hara's store is slipping a little bit further, his business going from bad to worse. His means are about exhausted. He cannot sell newspapers like other stationery store owners; he is not even allowed to sell newspapers at a loss. Unless some action is taken soon to restore his rights as a free American citizen, he will be forced to sell out.

In the meantime, Neighbor Deutsch's store, a few doors down the street, is doing famously.

Dollars for U. S. Arms Are Cut From Trade

Dottie's 'Record': Profit, $40,000; Prophet—Zero!

NEW YORK, N. Y. — Dorothy Thompson sets herself up as a great expert on foreign affairs. She makes about $40,000 a year with her widely syndicated column *"On The Record"* and influences the minds and opinions of tens of thousands of Americans. Short of a forthright call to arms, she has been urging America for the last few years to use every means at its disposal to help the "democracies" destroy the totalitarian powers.

At the beginning of every new year, Miss Thompson tries to predict the main events of the next twelve months. Being almost exclusively occupied with world affairs, it would seem natural that a majority of Miss Thompson's prophecies should come to pass. But when one checks up on her predictions for 1939, one finds that Miss Thompson's batting average is practically zero.

A year ago in the *New York Herald-Tribune* Miss Thompson made three major predictions for 1939:

(1) There would be no major war.

(2) There would be a negotiated peace in the Chinese-Japanese war.

(3) The Spanish civil war would continue with the Red Loyalists receiving more help from Britain and France.

Needless to say, events proved the exact reverse of Miss Thompson's prophecies. War broke out in Europe in September. The Spanish civil war came to an end last spring. And no peace is yet in sight for the war in China.

Nevertheless "Anti-Teu-ton" Dottie continues to flourish. Her great body of unthinking readers will again turn "On the Record" for the lowdown on Europe. Those who hope that the war will end this year may take comfort from Miss Thompson's recent prediction for 1940 that the war will continue.

Figures at Year-End Show Why Promised War Boom Failed to Materialize

By Staff Correspondent of SOCIAL JUSTICE

WASHINGTON, D. C.—The so-called war boom, which has brought millions of dollars of quick profits to American cannon merchants, steelmakers and warplane manufacturers, is being paid for, not by the Allies, but by American producers of non-war goods.

This startling fact was revealed at the beginning of the new year by foreign statistics, dispatches from foreign correspondents, statements of industrial and labor leaders and the latest quotations of the New York Stock Exchange. It offers a sharp and gloomy contrast to the windy prophecies of last Summer and Fall when certain economists were promising America a huge foreign trade increase in the event of a war in Europe.

When peace expired in Europe last September, American business men, farmers and laborers were carried away by dreams of a great war boom, similar to the gigantic industrial and agricultural upswing that took place in America during the World War. "Let's cash in," was heard on all sides.

The neutrality law as it then stood allowed the export of all "peace-time" commodities but forbade the shipment abroad to belligerents of arms and munitions. Accordingly, Allied war propagandists announced that Great Britain and France were preparing to buy great quantities of all commodities from America to wage war against Germany, and that the least Americans could do to return this favor of large profits was to abolish our law restricting the sale of armaments.

The War Boom That Didn't Boom

This argument, together with the pseudo-moral one of helping democracy, persuaded Americans to change their Neutrality Act. The arms embargo was lifted; the unlimited shipment abroad of instruments of death was permitted by law; and U. S. manufacturers were given the right to sell all and everything to the Allies—for cash and carry. But now, some few months later, the American business man is looking into his pocketbook and asking: "What became of the promised war boom?"

The best explanation of the boom that failed to materialize is supplied by an article written in London recently by Oswald Garrison Villard and printed in the *New York Post*.

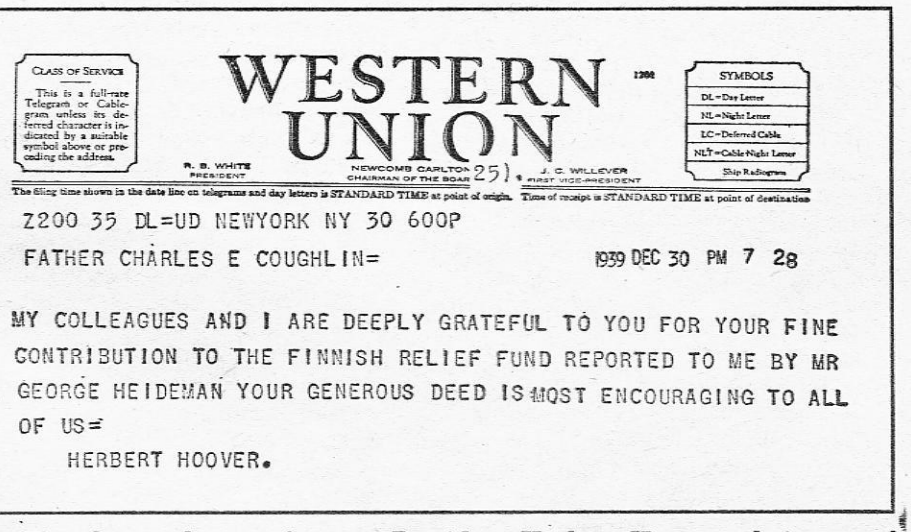
"The British government," Mr. Villard wrote, ***"has decided that it will cut out every import from America that England can live without to conserve every dollar for essential war materials and requirements."***

In other words, instead of a repetition of the last war, when America practically fed and clothed the Allies, this time, for every export dollar gained by American producers of war goods, American producers of ordinary merchandise and commodities will lose a dollar.

Though it took a few months to

(Continued on Page 18)

A Word of Appreciation . . .



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FATHER CHARLES E COUGHLIN= 1939 DEC 30 PM 7 28

MY COLLEAGUES AND I ARE DEEPLY GRATEFUL TO YOU FOR YOUR FINE CONTRIBUTION TO THE FINNISH RELIEF FUND REPORTED TO ME BY MR GEORGE HEIDEMAN YOUR GENEROUS DEED IS MOST ENCOURAGING TO ALL OF US=

HERBERT HOOVER.

The above telegram from ex-President Herbert Hoover, chairman of the Committee on Finnish Relief, is self-explanatory; it acknowledges receipt of the $1,000 contributed by Father Coughlin on behalf of the League of the Little Flower. Published lists of donors in several instances omitted mention of this contribution.

FROM THE TOWER

The Presidential Message

An excerpt from Father Coughlin's broadcast to the nation on Sunday, January 7th. A complete copy of the text of the broadcast may be obtained by writing directly to Father Coughlin, Royal Oak, Michigan.

IN HIS LATEST message to Congress on the state of the Union, President Roosevelt again focused the attention of the nation upon many vital truths. Tempering his hitherto generic condemnation of foreign dictatorships, he ventured to specify the cause for their appearance in nations that formerly leaned to a democratic type of government. He said, almost at the outset of his carefully couched speech:

"The social and economic forces which have been mismanaged abroad until they have resulted in revolution, dictatorship and war are the same as those which we here are struggling to adjust peacefully at home.

"You are well aware that dictatorships—and the philosophy of force which justifies and accompanies dictatorships — have originated in almost every case in the necessity for drastic action to improve internal conditions where democratic action for one reason or another has failed to respond to modern needs and modern demands."

These unambiguous words might permit us to conclude that the continued mismanagement of domestic affairs in the United States will produce results in our homeland similar to those which have appeared abroad.

During our lifetime, Italy has elected to follow the pattern of Fascism. The Kerensky democracy of Russia melted into the crimson regime of Lenin and Stalin. Hindenburg's government degenerated into Hitler's monopolization of political power. Portugal and Spain abandoned social democracy. Austria, Czecho-Slovakia and Poland have ceased to function under a duly elected representative government.

In each case financial and economic necessity required "drastic action to improve internal conditions when democratic action for one reason or another has failed to respond to modern needs and modern demands."

U. S. Is a Republic, a Limited Democracy

It is regrettable that, having evolved political liberty through the many sacrifices of the past several hundred years, all these nations found it compatible to surrender this benediction to secure bread, clothing and shelter—the bare necessaries of life.

Probably this is an opportune moment to express a few pertinent thoughts on the subject of democracy —the democracy that failed in foreign lands—to the end that we who are devoted to its doctrine of liberty and of representative government may take counsel with ourselves how to preserve it in America.

Correctly speaking, ours is a republican form of government wherein we are privileged by a majority vote to elect representatives of the people to an independent Congress, whose function it is to make laws in harmony with an established *Constitution*. The *Constitution*, which also recognizes an independent Executive branch of government, does not permit the Executive, however, either to make laws or to interpret them as he pleases: it limits him, together with his secretaries and assistants, to execute only those laws passed by Congress and, in the case of a substantial dispute as to the constitutionality of the laws themselves, to abandon them either entirely or in part when the Supreme Court, the third independent branch of government, issues a decision.

The United States of America, therefore, is neither a dictatorship nor a democracy in the full sense of the word. At most, it is a limited democracy which I again designate as a republican form of government.

Each of the three branches of government, although co-operating with the other two, is limited by specific powers and prerogatives. The people themselves are limited by the *Constitution* in so far as a mere majority cannot alter that basic document. And, finally, the content of the *Constitution* is limited to the will and decision of two-thirds of the — not one-half—of the people.

Success of Democracy Depends on People

In its constituted form our democracy depends for its operations directly upon our representatives and indirectly upon ourselves. We are subject in our choice of representatives to our common understanding and appreciation of the questions of the hour; to the policies proposed; and to the agencies such as the press, the radio and the platform which expound them and influence our thoughts and habits.

In its final analysis, our Government will be no better than the people themselves, despite the *Constitution*, which is its political bedrock.

If, as Mr. Roosevelt remarked, dictatorships have originated abroad in almost every case through the necessity for drastic action to improve internal conditions where democratic action failed—to solve the problems of unemployment, of agricultural production, of distribution—it is possibly true that the retention of democracy would have proved a greater menace than the adoption of dictatorship because both the people who were privileged to vote and the representatives whom they elected were no longer capable of achieving the objectives of peace, prosperity and national happiness. . . .

Consequently, while every effort must be made to preserve our democracy so that it will function for the common temporal and spiritual welfare of all, let us not be so childish as to accept the fallacy that democracy of itself will be our salvation. Under God, a virtuous people and not their form of government is the key which unlocks the treasure room where liberty, prosperity, peace and happiness abide.

French Revolution an Empty Victory

The events of the past twenty-three years should supply the lovers of red freedom, with a plenitude of food for thought. These years taught us how unsubstantial was the dream of the French Revolutionists who preached their materialistic Liberty, Equality and Fraternity. It was a dream dissipated by the death-dealing cannons on the battlefields of Belgium and France. The disciples of Rousseau, Kosciuszko, Franklin, Byron, Massini and Bjornson—all religious indifferentists—who preached the doctrines of social democracy were routed. Where was their boasted flag of liberty? It was unfurled in the mud-strewn acres of France; flaunted in the hovels of poverty; paraded in the vanguard of the hungry unemployed.

And what Equality did they achieve? Equality with the rats and vermin in the corpse-laden trenches of death.

And what of their Fraternity? It was the same kind of fraternity enjoyed by the galley slaves; a fraternity of debt; a fraternity of indigence; a fraternity that forced entire populations to bow before the god of gold!

For a moment forget politics and economics. Face with me the stark, realistic cause of it all.

Liberalism Destroys Religious Idealism

The liberalism and irrational tolerance of the 19th Century persisted in undermining the religious foundation of the very ideals which originally inspired the democratic revolutions. Man's omnipotence was preferred to God's. Intellectual confusion was accepted instead of faith. From the highest to the lowest, conscience was traded for profit, while spiritual values were esteemed as impediments in the path of material progress. These were the basic causes which produced a civilization where the one time compelling force of moral values surrendered to economic and political domination. Liberty was bound to degenerate into anarchy. Equality and Fraternity were destined to dissolve into dictatorship—at first the dictatorship of a Lenin who, at one swoop, crystallized the godlessness of his age into the doctrines of Bolshevism; and, later on, into the dictatorship of a Hitler who amalgamated the errors of political partyism and state supremacy into his National Socialism.

Men forgot that ***democracy is an effect and not a cause; a fruit and not a tree.***

A godly people, gifted with the benediction of a representative government, instructed by a virtuous pulpit, by an honest, fearless press and schooled in institutions which, in the name of tolerance, have not ostracized the Divinity from the curriculum, will be blessed with godly leaders, godly representatives. If the contrary exists, democracy becomes a tyranny, productive of the excesses which marked the course of the past century . . .

Real Yellow Peril Is Gold, Not Race

While our Chief Executive discussed foreign affairs in a general manner, he did not neglect to mention our domestic concerns. He said:

"To say that the domestic well-being of one hundred and thirty million Americans is deeply affected by the well-being or the ill-being of the populations of other nations is only to recognize in world affairs the truth we all accept in home affairs."

In these days, when the accidents of space and time have been curtailed by the airplane and the radio, this world of ours, together with all its nations and peoples, has become a rather narrow habitation. Most certainly, we are neither indifferent to what transpires abroad nor are we unaffected by foreign affairs and ideologies. But the word "abroad" not only connotes the small territories of England and France, comprising less than 150-million population. It connotes for us the existence of more than a billion people resident in the Orient—creatures of the same God whom we worship, sharing in the pricelessness of the same Blood of Calvary which redeemed us. To them we likewise apply the words of divine Scripture, namely, that *"the earth is the Lord's and the fulness thereof."* If in some political quarters there has arisen again the fear of the yellow peril, now that India, China and Japan are in social ferment, let us recollect that ***the real yellow peril is not one of race but one of gold!*** I refer to our ill-advised attempt, through the existence of a tripartite financial agreement between ourselves and France and England, to impose our economies, our gold trading standards, upon the major part of a world that has no gold; to an attempt, if you please, to hold them in economic subjugation as if they were not destined to participate in the goods of creation.

At home we have a plenitude of problems. While our factory production may equal that of 1929, our taxation and our unemployment problems are of grave concern.

For seven consecutive years we have grown accustomed to the promises of less and less spending of borrowed money. For seven years we have united patiently to see the money changers, the coin clippers, driven from the temple. For seven years we have hoped to witness the sunrise of economic liberty, without which political liberty is a mockery.

Despite our disappointments there is hope for better things to come. At long last, for example, we are beginning to appreciate the billion population of the Orient, together with its untold wealth in silver, jewels and other commodities. We are beginning to recognize that it is the greatest market in the world. We are beginning to appreciate the suicidal results contingent upon class exploitation and national exploitation operated by those who hold and control money and credit so that no one dare breathe against their will.

Record of Jackson Challenge to Democrats

Tomorrow is the anniversary of Andrew Jackson, the seventh President of the United States. American tradition long since has revered him as one of our greatest Democrats; and the Democratic Party, of which Mr. Roosevelt is the chieftain, long since has claimed him as one of its outstanding apostles. To honor this indomitable leader, a multitude of dinners is scheduled for tomorrow evening at which will attend the followers of the Democratic Party.

More than a century ago the tradition of these political banquets was established at Brown's Hotel in Washington, D. C., to commemorate the twentieth anniversary of Jackson's triumph at the Battle of New Orleans.

Following the war of 1812, America was passing through a Gethsemane of depression; the direction of her economies had fallen into the hands of Tories who issued and controlled money to the detriment of the masses.

It so happened that at this juncture a charter extended to a privately-owned bank to issue money was about to lapse. Seeking a renewal of the charter; seeking to perpetuate their privilege of operating the destinies of commercial, industrial, agricultural and financial America upon the basis of debt, these gentlemen approached "Old Hickory" to remind him that, if he refused to perpetuate their privilege, dire results would follow.

And what was his answer? He who understood the meaning of the phraseology in the *Constitution*—the meaning of that portion of it which grants to Congress the right *"to coin money and regulate the value thereof, and of foreign coin,"* vigorously refused their requests and referred to the dire results about to follow in these words: "That is your sin. It would be my sin if I allow you to continue."

State of the Nation

Roosevelt Speaks, but Nation Stays Unassured

Promises a Flirtation With War Abroad; Sees Only Dim Outlook for Youth

By Staff Correspondent of SOCIAL JUSTICE

WASHINGTON, D. C.—In delivering his "State of the Nation" address to the 76th Congress, convened for its closing session, President Roosevelt coupled words of caution concerning the war abroad with a plea for national unity at home.

As usual, the President's words were combined into fine, upstanding phrases that marched in the spirit of American patriotism and unselfishness. But in many instances the application of the words was obscure, vague, or impossible of fulfillment under present conditions.

The address was divided into five parts, which considered the European war, domestic affairs, the youth problem, several assorted problems at home and the appeal for unity in these trying times.

I. Europe's War

Concerning the war raging and resting by turns in Europe, President Roosevelt attacked dictators, and governments by force—all unnamed —which threaten civilization as we know it today. With this all must agree; but the President ran out of bounds at one point when he chided those who have pledged themselves against ever again sending American troops abroad.

Assuring the nation that neither he, nor anyone else, contemplated sending American troops abroad, Mr. Roosevelt said: "The overwhelming majority of our citizens do not abandon in the slightest their hope and expectation that the United States will not become involved in the military participation in the war."

'Steps Short of War'— Last Year's Challenge

By singling out *"military participation,"* the President infers that we might participate in ways other than military. This is wholly in keeping with his demand for a scrapping of the arms embargo—that we might profit in the blood business. This bears out his statement of one year ago that we should take "steps short of war"—presumably "military" war —to make our distaste for dictatorship felt abroad.

But if President Roosevelt persists in flirting with Europe's war by selling arms, engaging in economic war against one side or the other, and otherwise playing favorites in the game of mortal combat, our "military participation" will be but a matter of time, whether he, or any of his associates, desire it or not. This must be made plain, and understood by all.

The President amplified his belief that we must be involved in the war to some extent, by stating that, "There is a vast difference between keeping out of war, and pretending that this war *is none of our business.*"

Mr. Roosevelt Makes a Mighty Political Leap

In what way *is* this war our business, unless it comes to our shores and makes challenging gestures to us, in our economic, social and political life? The President did not say.

On the matter of peace, Mr. Roosevelt spoke the words to which all agree, or seem to, namely, that when we reach war's end, the United States must be in the forefront of those desirous of effecting reconstruction.

II. The Domestic Issue

The cause of peace can be served, Mr. Roosevelt said, through generous, selfless world trade. And this "selfless trade" he immediately welded to the Hull system of Reciprocal Trade Treaties, at present under fire from the nation's farmers who have found themselves penalized by Trade Agreement provisions, restriction of production, and the competition of cheap, foreign imports.

To ease the Reciprocal Trade Agreement policy, Congress surrendered its power of ratification in a burst of rash generosity. Now that the pinch is felt; now that the Senate is being blamed for its rashness, it is reaching out to recapture its power of ratification over these trade agreements when the Act expires.

The President defended this surrender of authority, and asked for its continuance in the name of "flexibility." He said that in time of war, these acts should be kept alive to float out to the world market our agricultural and manufactured surpluses. *What surpluses?* There has never been a surplus, either of manufactured articles, or agricultural commodities in this country. When were there enough automobiles to satisfy all? When enough carrots, wheat, turnips, hams, beefsteaks, eggs and butter to feed the millions on the borderline of starvation?

Singles Out Germany From Among All Offenders

There is no such thing as a surplus of agricultural or manufactured goods. Our problem, as has been emphasized before, is one of distribution—one of getting the goods into the hands of the citizens who require the goods.

Yes, the President defended the Reciprocal Trade Act on the grounds that certain nations, denied adequate trade, have been forced to arms to seek economic outlets and inlets through conflict. But it was President Roosevelt's administration that slapped countervailing import duties on both Germany and Italy, for following the same trade practices engaged in by more than a score of countries. His pious words, thus, on peace-through-trade, are so much flub-dub.

III. Youth

The President led into a discussion of youth, through a discussion of unemployment — a very logical approach, incidentally. No class has been more plagued by continuing national unemployment than youth; youth that graduated from school and college only to find the avenue to employment blocked.

And Mr. Roosevelt offered nothing constructive to *solve* the youth problem, just as he offered no solution to unemployment. His only recommendation was that the *national income be raised*, so that all might participate to a greater extent in the nation's goods and bounties.

But the New Deal *is not designed to raise the national income.* It has penalized the farmers through crop-restrictions, and has attempted to compensate this penalty through sub-

(Continued on Page 17)

Supreme Court Restricts Legal 'Theft' of Farms

CHIEF JUSTICE HUGHES

THE NEWS: Among the items facing the closing session of a Congress anxious to "do something for the farmer," is the necessity of renewing the *Frazier-Lemke Farm Mortgage Moratorium Act* which expires on March 4.

This Act was involved in a recent decision of the Supreme Court, a decision which cleared up one obscure point of procedure and opened to thousands of farmers the opportunity to save their homes and farms from the clutch of the mortgage-holders.

In the case of John Hancock Mutual Life Insurance Co. vs. Benno Bartels, a Texas farmer, the court held that Bartels was entitled to relief under the *Frazier-Lemke Act*, and reversed a lower court decision which questioned his "good faith."

COMMENT: The Supreme Court's opinion, delivered by Chief Justice Hughes, is a victory for the American farmer as it opens to him the way to security in his own home, and on his own farm lands.

Bartels, seeking relief from pressing obligations under terms of the Bankruptcy Act, asked that he be permitted to retain his property under supervision of the court. A District Judge acceded to his plea and adjudged him bankrupt.

The insurance firm, however, moved to set aside the judgment on the grounds that Bartels had not "acted in good faith," averring that he probably had no intention of ever paying his debts.

The District Court acted then, withdrew the previous order declaring Bartels bankrupt. Thereupon the case was taken to the Circuit Court of Appeals, where the judgment was reversed, and the proceeding reinstated.

Chief Justice Hughes pointed out that the question of a farmer's "good faith" had nothing to do with the procedure outlined under the *Frazier-Lemke Act.* He pointed out that the plain purpose of the Act "was to afford relief to such debtors . . . by giving them the chance to seek an agreement with their creditors, and, failing this, to ask for the other relief afforded. . . ."

Representative William Lemke, who argued the case before the Supreme Court, subsequently in a radio address invited the farmers of the nation who are threatened with foreclosure, or are victims of it but still have a redemption period, to file petitions for relief *immediately*, under terms of the *Frazier-Lemke* Act.

The circumstances of this one case alone is sufficient to convince skeptical Congressmen that the *Farm Mortgage Moratorium Act* should be saved. March 4 is the deadline.

Fake Demands for 'Defense' Cramp Budget

THE NEWS: Although President Roosevelt has promised a step toward a balanced budget, he has promised also greatly increased expenditures for "national defense," and increased taxation to cover these expenditures.

This has drawn the fire of Senator Borah, who charges that talk of a balanced budget is senseless, unless expenditures for "so-called national defense" are trimmed. He asserted flatly that relief appropriations can not be cut without a toll of malnutrition, sickness and near-starvation.

COMMENT: Senator Borah is right. The national defense item in the budget will upset all semblance of balance, and will drain from the taxpayer many a dollar that might otherwise go to more productive use.

Like Naval Secretary Charles Edison, the President would squander millions upon millions on useless naval equipage, obsoleted as fast as it is built, and unnecessary for national defense.

When naval building outsteps true defense needs, with a view to policing the seas or protecting Great Britain's possessions, then "national defense" is a misnomer—just as "neutrality" was a misnomer in scrapping the arms embargo.

Dies Committee 'Dies;' Seeks New Life-Lease

THE NEWS: The Dies Committee, making its final report to Congress before its expiration, charged that Communism in the United States is linked definitely to Moscow, but that it is "on the run."

The Committee stated that 11 "front organizations" promote Communism here, and that the Communist Party is the "border patrol" for the Soviet Union in the United States. It said Communism is losing ground in the C.I.O., although 10 or 12 unions are afflicted with its curse.

COMMENT: The need of placating its foes in Congress in order to earn another appropriation probably caused the Dies Committee to temper its report.

Communism in the United States has lost *membership*, but it has lost little ground. In the places where it was deeply entrenched before, it has lost little influence. This goes for C.I.O. unions where Communists have been in the driver's seat.

The Dies report stated that the German-American Bund is an active agent of Nazi Germany, and that its leaders have planned to sabotage national institutions here, if such sabotage became "necessary."

John L. Lewis was exempted from sheltering Communist "sympathy," in the report. However, the report did *not* state that Lewis is "penned in" by Communists who aided his rise to power and thereby mortgaged his future. This mortgage is still due.

Among Communist "fronts," the Committee listed: The American League for Peace and Democracy; International Workers Order; American Student Union, Friends of the Soviet Union, National Negro Congress, League of American Workers, and the Workers Alliance.

The Dies Committee should be continued, and once continued should take off its gloves and dip further into the intimate connections between Browder & Co. with Moscow. The Bund, while a lesser menace, should be rendered completely impotent. And the Communist Party should be driven from the country through proper publicity concerning its Russian tie-up.

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LOUIS B. WARD, *Editorial Director*
E. PERRIN SCHWARTZ, *Editor*

16 PRINCIPLES OF SOCIAL JUSTICE

Liberty of conscience and education.
Just living annual wage.
Nationalization of important public resources.
Private ownership of all other property.
Control of private property for public good.
Abolition of Federal Reserve Banking System and establishment of a Government-owned Central Bank.
Restoration to Congress of its sole right to coin and regulate the value of money.
Cost of living maintained on an even keel.
Cost of production plus a fair profit for the farmer.
Labor's right to organize.
Recall of non-productive bonds.
Abolition of tax-exempt bonds.
Broadened base of taxation on basis of ownership and capacity to pay.
Simplification of Government and lower taxes.
Conscription of wealth as well as men in event of war.
Sanctity of human rights preferred to sanctity of property with Government's chief concern for the poor.

Open Season On Christianity

BOLDER even than the outright Red sheets, like the *Daily Worker* and *New Masses*, is the anti-Christian crusade of America's self-styled "liberals." Papers like *The Nation* and the *New Republic* wax more insulting with each offense which Christians fail to resent.

Time (the red cover) magazine led off some months ago with that "Silo Charlie" smear, which was a thinly disguised insult at the Shrine of the Little Flower under the pretext of hitting at Father Coughlin. That cost *Time* considerable circulation and some advertising revenue, but the reaction from indignant Christians was far from what the alarmed editors were prepared to expect.

So the rest of the pack have taken up this anti-Christian sniping. *Life*, the picture paper, takes liberties with good taste and Christian morals, hiding behind the hypocrisy of sophisticated cutlines.

A man known to Communists as "Max Gross" last week told a Chicago Workers' School that 90 per cent of the documents used by John L. Spivak in his "exposure" of Father Coughlin in the *New Masses*, had been *supplied to him by a Catholic priest in Detroit*. SOCIAL JUSTICE does not believe that any Detroit priest ever did any such thing. This libel on the Catholic clergy, however, does show that this is more than Father Coughlin's fight. It ought to show also the danger of Christians remaining tolerantly neutral and pacifistic when Christianity is being attacked.

Graver in its implications for the country than any witch hunting into the myth of anti-Semitism, is this very real wave of anti-Christianity. Christians are such "saps." They can be depended on almost never to protest. Indeed, in their zeal for "tolerance," too many good Christians leap to the defense of the Semites, who never have a good word to say for Christianity.

This is understandable: to speak up against anti-Semitism in these days is to invite praise, while to speak up for Christianity—or against anti-Christianity — is to invite persecution. And persecution is uncomfortable, often unpleasant, and sometimes fatal.

What has happened to the fortitude of Christians in America that they shrink from the opportunity of a little persecution for the defense of Christianity?

If the Dies Committee is going to do any more looking into anti-Semitism; let them also look into anti-Christianity.

A Plea for Tolerance

IN WHAT was announced as his first national radio address, Attorney General Murphy, newly appointed to the United States Supreme Court, was heard Sunday in a talk before the Conference of United Palestine. He spoke on the *"Challenge of Intolerance"* and promised that the laws of the land would be used against those who stir up anti-Semitism.

Anti-Semitism is not a problem in America. Of some 410 "religions" in the country, not one of them advocates the closing of a single synagog. Nobody demands that a Jew cease being a Jew. Failure of some Jewish leaders to join Christians in condemning the anti-Christian persecutions of atheistic bolshevism does tend to create anti-Semitism. But it is hardly "intolerance" to say so.

With Mr. Justice Murphy's plea for "harmony and mutual faith among God's children," all will agree. It is only notable that his eloquence should be so exclusively expended in behalf of the "Land of the Book and the People of the Book."

In 1920, and again in 1924, intolerance was a very real challenge in Mr. Murphy's Michigan. A law to abolish the parochial school system was before that state. In the face of that challenge the Murphy oratory was silent.

Nor has there been, from his Michigan graduation to the appointment of his bench-mate, Mr. Justice Black, any Murphy broadcast against the threat to America from the intolerance of the Ku Klux Klan.

Mr. Murphy made no radio addresses about the wave of atheistic Communism which swept America, as a result of the Roosevelt recognition of Soviet Russia.

No one condemns Mr. Murphy's great charity for the persecuted peoples who seek a refuge in Palestine; but one only wishes that the record might include some plea on behalf of Mr. Murphy's fellow Christians in Spain, in Poland and Czechoslovakia, and in Finland. In fairness it should be recorded that he once made a speech for Ireland in 1920.

Mr. Murphy is proud of his "tolerance" record. In his Port Huron speech, in the campaign of 1936, he boasted that, in Michigan, he had appointed but one Catholic; that as governor general of the Philippines, with 14-million population mostly Catholic, he never appointed a single Catholic! He is reported to have told a Yeshiva college audience that "democracy" is more important than religion; and also to have decried those who would belittle Spinoza and Marx as "great philosophers."

Mr. Murphy says that America was not founded on anti-Semitism. Of course, it was not: the principles of the *Declaration of Independence* and the *Constitution* are Christian principles, but they are not for that reason anti-Semitic.

We reiterate that anti-Semitism is not an issue in America: anti-Christianity is. When will the force of Mr. Justice Murphy's oratory lend itself to the defense of persecuted Christians?

These Things Tie Up

THIS EDITION of SOCIAL JUSTICE is being sent to press in the aftermath of an eventful week-end.

A Washington tempest over Navy Secretary Edison's request for greater emergency powers for the President; America's protest to England over British seizure of U. S. mail and ships; the President's call for a $460-million "defense" budget; Lord Lothian's forecast of German defeat and English-American naval supremacy; and Prime Minister Chamberlain's ouster of Hore-Belisha as England's war minister—all these are not, it seems to us, wholly unrelated and isolated incidents. Sometimes, in these days of international tension, the most obscure events have a way of tying-up. What this tie-up is often requires many weeks to disclose.

The ouster of Hore-Belisha was a real sensation. With him went Britain's Minister of Information, the Cabinet man in charge of censorship and propaganda. Official explanations are to be presented in Parliament on January 16th; meantime, commentators will guess.

"Good Lord, no!" was Hore-Belisha's answer to newsmen who asked him for a statement as he left the War office for the last time. Mr. Leslie Hore-Belisha is by no means a stranger to readers of this National Weekly. He has smashed British traditions right and left—particularly in the latter direction. For example, he passed over as many as 50 generals in seniority to pick the head of the British Expeditionary Force, with whom he was lately reported in disagreement; his personal selection of officers from the ranks drew wide comment; and he also had a standing tiff with the air force because he wanted that branch of England's combat forces under his army control.

Lord Lothian, the British ambassador to America, has long advocated a Federal Europe. Before the Chicago Council on Foreign Relations, he said he was emulating Ambassador Kennedy's frankness in telling one country another's views. Lord Lothian, as Great Britain's official propagandist No. 1, foresees a "stake-all" assault by Germany, to be followed by an Allied victory and the establishment of his desired "United States of Europe." British mastery of the seas, he concedes, will be shared as a sort of partnership with an up and coming America.

The request for more emergency powers for President Roosevelt by his newly appointed Secretary of the Navy, Charles A. Edison, is explained by Mr. Edison in press talks as "a routine matter."

But the rest of official Washington regarded the request as little short of an astounding precedent. Even veteran New Deal supporters were reported to be in violent opposition to the suggestion. The fact that Mr. Edison's appointment had not yet been confirmed also figured in the week-end comment.

Senator Sherman Minton of Indiana, Democratic whip, saw "no approaching emergency that would warrant such action;" while the venerable Borah saw the suggestion as "perfectly startling."

The Edison request was that the President be given emergency powers to commandeer factories manufacturing naval supplies.

A survey of war powers already possessed or requested for the President of the United States shows them actually to exceed those of Adolf Hitler, Germany's Nazi Fuehrer. A resume of these powers will be reprinted in an early edition of this magazine.

Inflation Is On

FEW REALIZE the tremendous rise in the commodity markets of the world during recent months. Nor is the war alone to be charged with these higher prices.

On June 15, 1938, a recommendation was made to a group of investors in the commodities of cotton, wheat, hides, rubber, copper, silk and cocoa.

These particular investors decided to hedge against a certain inflation which would offset the reduced purchasing power of the interest received from their investments in the dead hand of debt. They were bondholders faced with fixed interest and knew the depreciation of buying power from fixed interest as inflation would come.

On June 15, 1939, prices of these commodities were checked against the prices of June 15, 1938. After all interest and commissions were charged off the profit on the transaction amounted to 45 per cent for the 18 months, or an average of 30 per cent per year.

Inflation is here as witnessed by the rise in commodity prices.

Let Practice Follow Precept

THE PRESENT administration has failed utterly during seven and one half years to grasp the fundamental fact that ours is a debt problem.

It has failed to grasp the fact that America owes in public and private debt over $200-billion and that neither his total nor any considerable part thereof will ever be repaid.

The economic security of our people depends to a large extent in solving this debt problem.

The present Congress can remove the tax exemption on a Federal bond. It can stop issuing bonds and meet its deficiencies by the issue of fiat money, for all money is fiat. It can place the same faith and credit behind this money that is today behind its interest-bearing bond.

This would obviate the necessity of raising the legal limit of the national debt.

The present Congress of the United States can meet the annual interest of its present bonded indebtedness by the issue of pure fiat currency.

It can likewise reduce the principal of the present national debt to the extent of $1-billion a year by the issue of pure fiat, thereby extinguishing the national debt in the next 42 years.

The present Congress can provide for loans to municipalities and other forms of local government at low interest rates, if these units will drastically reduce their operating budgets so that credit will not mean merely the opportunity for renewed extravagance.

Congress may provide that all such refinancing be applied solely to the extinction of loan debt.

The present Congress can go further in true debtor relief. It can decree 1950 to be the *jubilee year*, if it chooses to follow the old law of the ancient Hebrews.

In 1950 it can provide for the conciliation of all the private debts of the nation. This would make new loans predicated on the knowledge of their cancellation ten years hence. On long term indebtedness of industrial utility and railway companies, for example, it can provide for the conversion of bonds and the common stocks of these companies.

The present Congress of the United States can refinance the debts of the home owners and the farmers of America relieving them from interest bondage by low and nominal interest rates which will cover service charges.

The present Congress of the United States can rehouse the slum residents of America in efficient individual new homes, abolishing nominal interest charges in favor of nominal fees to cover the cost of the operation.

Truth About Money Challenge to Editors

Pope's Indictment of Despotic Control Is One Clear Hope in Din of Confusion

By **Rev. Dermot McArdle, C. P.**

DURING THE past ten arduous years Father Coughlin's voice has brought enlightenment and comfort into millions of American minds and hearts. His strength of appeal and power of conviction lie in the fact that he begins with fundamental principles, reasons logically, and deduces practical conclusions without prejudice or compromise. After observing closely the results obtained through Father Coughlin's untiring efforts, I still find myself asking this question, "How much can he accomplish fighting almost single-handed not only against public ignorance appalling in its extent, but, worse still, against the barrage of a secular press whose economic opinion and financial policy are dictated by the publicity bureau of those very forces which any sane social reform must overthrow?"

There is, and always has been, a deliberate program sponsored by financiers to keep the people in ignorance as to the true causes of their social problems or to deceive them with a pretense of technical teaching calculated only to mystify them the more. According to Frederick Soddy, "The chief factors that oppose reform and progress and strive to keep things as they are, are by no means inertia and ignorance, but thoroughly well-informed individual self-interest."

Prevailing discussion in the field of political economy today indicates an awakening of public interest. But, who would deny that the net result of 90 per cent of contemporary discussion is "confusion worse confounded"? Politicians contradict one another, professional economists contradict one another, businessmen contradict one another, columnists contradict one another, Communists contradict everybody, and it is no wonder that the modern social structure looks like the Tower of Babel, for we have at last come upon the confusion of tongues. Practically drowned therein is the echo of an authoritative voice. Only when throats have grown hoarse with shouting and hearts are wearied of conflict, and the Tower of Babel stands outlined against a darkened sky wherein the clouds of impending disaster have already gathered—the Tower of Babel that will never be completed:—Perhaps, only when the world has all but destroyed itself, will the din of battle cease so that the echo of that voice can be heard.

Pope's Words Place Real Responsibility

The question is, however, will ears deafened by the uproar be able to hear? Will minds confused by the confusion of tongues be able to understand? Will men finally be roused to intelligent action and quickened to new thought when for so long a time now they have failed to grasp the full significance of those words penned by Pius XI several years ago?

"In the first place, then, it is patent that in our days not alone is wealth accumulated, but immense power and despotic economic domination is concentrated in the hands of a few, and that those few are frequently not the owners, but only the trustees and directors of invested funds, who administer them at their good pleasure . . . This power becomes particularly irresistible when exercised by those who, because they hold and control money, are able also to govern credit and determine its allotment, for that reason supplying, so to speak, the very life-blood to the entire economic body, and grasping, as it were, in their hands the very soul of production, so that none dares breathe against their will."

Some have accepted the import of these words, but only with a half-hearted act of faith, not at all with the conviction born of a mind familiar with history. Of course, I refer here to history that takes into account monetary causes, for I cannot see anything else as true history since *"the desire of money is the root of all evil."* I refer to that vast treasure house of knowledge, human experience, into which Pius XI entered when he sought an indictment of those agents and agencies responsible for the evils afflicting society. Applying the principles of justice and charity to the facts of history, Pius XI placed the responsibility where it belongs when he scientifically condemned despotic economic domination.

Power of Mint Key of Sovereignty

Despite the fact that unequal distribution of real wealth is in itself a cause of dissatisfaction resulting in social unrest, it is not the primary and original cause of the evils afflicting modern society. Pius XI, while taking into account the social significance of this factor, plunges more deeply into the problem and with unfailing accuracy attacks the usurpation of power by those who actually control credit and issue money. These are the ones to whom he refers as "those few (who) are frequently not the owners, but only the trustees and directors of invested funds, who administer them at their good pleasure"

Amschel Rothschild knew whereof he spoke when he said, "Permit me to issue and control the money of a nation, and I care not who makes its laws."

Hilaire Belloc once wrote, "Unless public authority is master of that force (credit), that force will be the master of the community."

Scientific economics, historical facts intelligently observed, and the wisdom of generations combine in specifying the power of the mint as an essential and fundamental attribute of sovereignty. Wherever this attribute of sovereignty has been usurped through the private control of credit, there is certainly no democracy, no government of the people, by the people and for the people. There exists rather a government of the people by an irresistible force . . . despotic economic domination concentrated in the hands of a few, not for the benefit of the people generally but for private gain and individual or corporate self-interest. Pius XI proposed the cure for such prevailing injustice: *"Free competition and still more economic domination must be kept within just and definite limits, and must be brought under the effective control of the public authority . . . If this is done, the economic system, that most important branch of social life, will necessarily be restored to sanity and right order."*

Federal Reserve Successor to Money Trust

Of course there are some of the American people who confusedly think that our Federal Reserve System is under the *"effective control of the public authority."* That is because these people have not analyzed as an instrument of power the influence exercised by the Federal Reserve Advisory Council. In their ignorance of Federal Reserve technique, people generally do not recognize the Federal Reserve System to be what it really is—an efficient successor of the Money Trust existing up until 1913, whose control of industry through the control of credit was outlined in detail by the Pujo Commission reporting to Congress in March, 1913.

The very secrecy with which Aldrich, Davison, Warburg, Strong and Vanderlip cloaked their meeting at Jekyl Island, where the foundations were laid for the Federal Reserve System in 1910, was indicative of the determination on the part of the Money Trusters to retain their hold upon national credit.

Frederick Soddy expressed the need of this educational program when he wrote: "Democracy has so far but seized the shadow and has yet to grasp the substance of sovereignty. Its first step must be to end the conspiracy of silence in its organs of publicity and instruction concerning the one power of government which underlies and controls all effective political action, and to insist upon its monetary system being as public and open to criticism and conscious alteration as its political system."

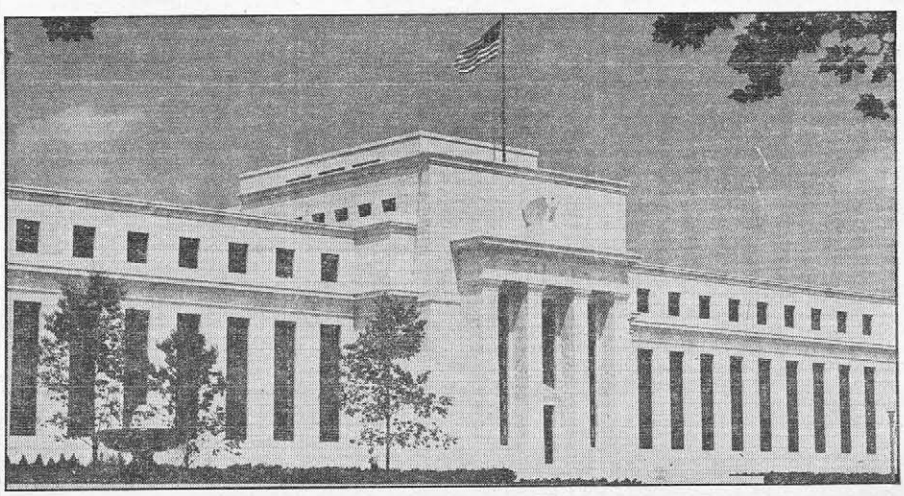
Sound political economy regards the function of credit and the use of money as a public service or common utility. The *credit structure*, therefore, as a social benefit of sovereign importance should be controlled not by private individuals or corporations for their own profit, but by the whole body politic through elected representatives for the common good.

A Challenge to Every Editor

This necessity challenges every editor in the country whose publication is a medium of instruction. It challenges every editor whose personal dedication to truth has never been prostituted in the service of those forces which have crucified truth ever since the printed words in the title on the Cross first mocked a people's faith. Those men stand on the last rampart of a crumbling civilization holding aloft the torch of truth. They have not faltered in the discharge of their sacred duty. But is it not to be feared that their warnings and exhortations appear to a people whose faith is weak and whose enthusiasm is but faint-hearted like so many hysterical generalizations? It would be far more effective to adopt an educational program that would instruct the people in the principles of sound political economy, thereby unmasking the dominating forces that mold our civilization and give direction to world affairs.

It may take years to remove the prejudices which envelop traditional errors in political economy. Money exerts a strange influence over the minds and hearts of men. There is serious humor in the words penned by Christopher Hollis: *". . . We are sometimes ready to congratulate ourselves that our age has outgrown all superstitions. But the historian of the future will, I fancy, reckon in the same class as number-worship and astrology and the study of the gizzards of birds the strange superstition that, whenever money is invented, a percentage must be paid forever afterwards as a propitiation to a banker. It is on that superstition that the whole empire of Mammon is built. There is no basis for it in reason, and in our day, when it has for the first time been overtly recognized and challenged, the defenders of it have utterly failed to justify their superstition."*

Pius XI sounded the battle cry challenging to deadly combat the Empire of Mammon. How many editors will take up that cry and carry the standard of truth which alone makes men free?



Federal Reserve Bank Office Building, Washington, D. C.

Secret Treaties Are Chief Cause of War

Rainbow of War Books From Every Nation Put Blame of Aggression on Others

OF ALL THE causes of modern wars, the greatest is the system of secret alliances or treaties, secret agreements, secret understandings, unknown to the Constitution of the United States, likewise unknown to the unwritten constitution of Great Britain, but existing, nevertheless, in utter defiance of both world powers.

On the third of August, 1914, the German *"White Book"* was issued, showing, by 27 telegrams carefully selected, that Germany was fighting in self-defense against Russian aggression.

Three days later, and on August 6, 1914, the British *"Blue Book"* was issued, showing 159 selected documents proving that Great Britain was for peace, but that Germany and Austria prevented it.

One day later, and on August 7, 1914, the Russian *"Orange Book"* was issued, showing by 79 selected documents that the war guilt was on the Central Powers.

In October, the Belgian *"Gray Book"* was written, showing by 79 documents that Germany had violated international law.

On November 18, 1914, the Serbian *"Blue Book"* was presented, showing by 59 documents that Serbia was the victim of Austrian aggression.

On December 1, 1914, the French *"Yellow Book"* was issued, showing Germany was the aggressor.

And on February 3, 1915, the Austrian *"Red Book"* was issued, showing by 69 documents that the Triple Entente—England, France and Russia—had encircled the Central Powers and were the aggressors.

We commend the re-reading of the seven compilations of documents. They are all the same. All protest the virtue of their cause, all depict the vice of the enemy. They remind one of Tom Moore's poem, with the famous couplet:

"On our side is virtue and Erin,
On theirs is the Saxon and guilt."

We recall Robert Lansing's commission on the responsibility for the war. We recall that he refused to look at any evidence except that which showed the Central Powers guilty.

Behind the variously-colored books of the European powers protesting their virtue and disclaiming their guilt were the secret treaties which I will merely record, as they formed an amazing background for the World War:

(1) The League of the Three Emperors, in 1872, between William of Germany, Alexander of Russia and Francis Joseph of Austria, pitted monarchial solidarity against international Socialism. It was a secret treaty that half a century later was to see Alexander's czaristic power in the hands of the Communists, William of Germany's former monarchy saved from Communism by dictatorship and Austria awaiting the new hegemony of Hitler's Europa.

(2) The Austro-German alliance of 1879 secretly broke the tripartite agreement between Russia, Germany and Austria and was the initial historic fact which drove France and Russia together in an alliance which ultimately was to defeat Germany in the World War.

(3) Two years later, the German-Russian secret treaty of 1881 temporarily repaired the wires from Berlin to St. Petersburg.

(4) The alliance of the three emperors, from 1881 to 1887, reunited Russia, Germany and Austria.

Secret Treaty Makers Could Not Trust Each Other

(5) The secret treaty of 1887 between Russia and Germany was written to parallel the German-Austrian Treaty of 1879, but still the three powers could not trust each other.

(6) The Triple Alliance of 1882, between Germany, Austria and Italy, left Russia out and became the second step in uniting France with Russia.

(7) The Austro-Roumanian pact of 1883 was a secret pact against Russia, called "defensive," of course. Germany endorsed it the same day and Italy in 1889, thus making it a quadruple agreement. It was finally renewed February 5, 1913, and was in existence as legally extended to July 8, 1920, throughout the days of the World War, when Italy was our associate and Germany was everywhere blasted for regarding her treaties as scraps of paper.

(8) Then came the Franco-Russian secret alliance of 1890. France financed Russia to the extent of 2,400,000,000 francs in 1888 and supplied her with Lebel rifles in 1889. They entered a secret alliance in 1890 and reinforced it in 1894 to the extent of co-operation in case of aggressive attack. It was absolutely unconstitutional for France to have a secret treaty, yet the pact was signed to the effect that if the Triple Alliance mobilized, it meant the mobilization of France and Russia and its duration was co-extensive with the Triple Alliance.

Another compendium of capsule history is herewith compiled for the busy reader by a staff researcher of SOCIAL JUSTICE National Magazine. It is Part Four of an historic study of the "Causes of Modern War"; the fifth and final article of the series will deal with "Propaganda."

(9) England deserted her "splendid isolation," and on January 19, 1898, attempted a treaty with Russia.

At Alfred Rothschild's house, May 29, 1898, Joe Chamberlain met Count Hatsfeldt. Chamberlain asked for an Anglo-German defensive alliance. He wanted a publicly approved treaty with Germany, because a secret treaty would not bind future cabinets. England sought this treaty for seven reasons: (1) Friction in central Africa with France; (2) friction on the upper Nile with France; (3) friction in Sudan with France; (4) friction in South Africa with the Boers; (5) friction in Kiauchau, New Germany; (6) friction in Manchuria with Russia; (7) Russia had taken Port Arthur and threatened England in the Far East.

Counter Alliances Secretly Formed

The result was that the Kaiser told the Czar of England's offer and attempted to form the Continental League.

(10) The Continental League with Russia, Germany, Austria, Italy and France was then formed.

(11) England proposes an alliance with the United States. The Boer War had made England hated on the continent. In November, 1899, the Kaiser visited England. Joe Chamberlain, at Leicester, publicly proposed an alliance of the Teuton and the Anglo-Saxon races. He proposed the union of the United States, England and Germany, races that differed so slightly in character, as a triple alliance of the two great branches of the Teutonic race. Germany turned it down.

(12) 1901: Joe Chamberlain opened negotiations for an alliance between England, Germany, and Japan. In 1902, England and Japan signed an alliance.

(13) 1904: England and France signed a treaty, the beginning of the Triple Entente.

(14) Italy stayed in the Triple Alliance with Germany and Austria and then made a secret treaty with France, between 1900 and 1902.

(15) The Anglo-French Entente of 1904: This was a broad arbitration treaty, signed October 14, 1903, when Edward VII visited France. Two months later President Loubet returned the visit.

King Edward Bid for French Friendship

In this connection, it is extremely important to note that King Edward VII was a new King in 1903, who knew how to make a tactful speech, with flattering appreciation and hearty personal good will. Here is part of the speech of Edward VII in 1903 in France. We may expect its repetition here in the United States:

"The days of hostility between the two countries are, I am certain, happily at an end. I know of no two countries whose prosperity is more interdependent. There may have been misunderstandings and causes of dissension in the past, but that is all happily over and forgotten. The friendship of the two countries is my constant preoccupation and I count on you all, who enjoy French hospitality in their magnificent city, to aid me to reach this goal."

(16) The Kaiser and the Czar signed the Bjorko Treaty of Alliance, canceled when the Czar withdrew, 1904.

(17) Germany, by stopping partition of Morocco by France and England, forced England to the side of France, 1905.

(18) The Anglo-French conversations: These were not treaties, but informal alliances with military arrangements and independent military plans. Under these conversations, by 1911, Sir Henry Wilson was riding Belgium on a bicycle covering every road for data anticipating the attack on Germany. *By 1911, General Dubial was able to assure his Russian colleagues that the French Army was able to take the offensive against Germany with the aid of the British Army on its left wing (Belgium).*

(19) The Anglo-Russian Entente, 1907: England and Japan had been allies since 1902. England now formed an alliance with Russia in 1907. The Russo-Japanese treaty was signed in July, 1907. It provided the open door for the Far East and the *status quo.* Yet behind it was the secret agreement on spheres of influence in Manchuria in a supplemental treaty signed between Japan and Russia, who pooled their interests after their bitter war, to the exclusion of third parties.

Japan and France had a treaty for the Far East.

The Anglo-Russian treaty provided for the partitioning of Persia, with Russia taking the northern half and England the southern half.

From 1907 on, Russia, France and England were referred to as the Triple Entente.

Armament Race Prepared for War

While Russia, England and France formed the Triple Entente, Germany, Austria and Italy formed the Triple Alliance. From 1907 to 1914 came the armament race.

(20) In 1909, came the German-France treaty settling the Morocco affair.

(21) In 1910, came the Russian-Italian secret treaty.

(22) In 1912, came England's secret naval treaty with France.

(23) On March 3, 1912, Russia revealed to Poincare that a secret Balkan League agreement had been drawn by Russia in the preceding winter. Then came the Balkan wars.

That all may understand the duplicity, the hypocrisy, the lack of sincerity, the downright treachery of international relations, picture our own beloved United States in the spring of 1914, with the Triple Alliance and the Triple Entente, standing not side by side but face to face. Colonel House, in Europe, wrote back in the midsummer of 1914, a month before the assassination of the Austrian archduke, as follows:

"The situation is extraordinary. It is militarism run stark mad. Unless someone acting for you can bring about a different understanding, there is some day to be an awful cataclysm. No one in Europe can do it. There is too much hatred, too many jealousies. Whenever England consents, France and Russia will close in on Germany and Austria. England does not want Germany wholly crushed, for she would then have to reckon alone with her ancient enemy, Russia; but if Germany insists upon an ever-increasing navy, then England will have no choice. The best chance for peace is an understanding between England and Germany in regard to naval armaments and yet there is some disadvantage to us by these two getting too close."

Of all the causes of modern wars, the greatest, we repeat, is the system of secret alliances or treaties, secret agreements, secret understandings unknown to our Constitution but existing, nevertheless, throughout modern diplomacy.

In the North American Way!

IN DECEMBER, 1902, a current writer recalls, Germany and Great Britain, having blockaded Venezuelan ports for a year, sank three Venezuelan warships and later bombarded and destroyed the fort of Porto Cabello.

The Germans and British were doing something which would seem very strange today. *They were trying to collect a debt.* The government of President Castro of Venezuela owed a German bank $9½-million, borrowed to build a railroad, and owed British subjects about a million and a half. The payment of debts nowadays is regarded in Europe as a matter of no consequence, probably because the debts themselves are not trivial.

Theodore Roosevelt and John Hay, his Secretary of State, had tried to persuade Germany and Britain that they were unjustifiably interfering with neutrals, but were having no success whatever with the Germans, who with a new navy were anxious to give it a workout. When they actually began firing shells, Roosevelt called Dr. Holleben, the German ambassador, and told him that unless Germany consented to arbitrate within 10 days Dewey would be sent to the Venezuelan coast to stop the German aggression.

A week later the President asked the ambassador if he had heard from his government. He said he had not.

"Then," said T. R., "I shall instruct Admiral Dewey to sail one day earlier than I originally intended."

Thirty-six hours later Dr. Holleben returned to say the kaiser would be very glad to arbitrate.

On the Red Front

U. S. S. R. Violates Pledges to America

Roosevelt Recognized Soviet After Its Rejection by Three Administrations

"It is not possible for the Government of the United States to recognize the present rulers of Russia as a government with which the relations common to friendly governments can be maintained.

"Facts convince the Government of the United States against its will that the existing regime in Russia is based upon the negation of every principle of honor and good faith, and every usage and convention underlying the whole structure of international law, the negation, in short, of every principle upon which it is possible to bare harmonious and trustful relations, whether of nations or of individuals."

The above statement—believe it or not—is quoted from a note written by a United States Secretary of State.

The note continues: "The responsible leaders of the regime have frequently and openly boasted that they are willing to sign agreements and undertakings with foreign powers while not having the slightest intention of observing such undertakings or carrying out such agreements. This attitude of disregard of obligations voluntarily entered into, they base upon the theory that no compact or agreement made with a non-Bolshevist government can have any moral force for them. They have not only avowed this as a doctrine, but have exemplified it in practice. Indeed, upon numerous occasions the responsible spokesmen of this power and its official agencies have declared that it is their understanding that the very existence of Bolshevism in Russia, the maintenance of their own rule, depends, and must continue to depend, upon the occurrence of revolutions in all other great civilized nations, including the United States, which will overthrow and destroy their governments and set up Bolshevist rule in their stead. They have made it plain that they intend to use every means, including, of course, diplomatic agencies, to promote such revolutionary movements in other countries."

Soviet Promises Do Not Bind Reds

The note continues: "It is within the knowledge of the Government of the United States that the Bolshevist government is itself subject to the control of a political faction with extensive international ramifications through the Third International, and that this body, which is heavily subsidized by the Bolshevist government, has for its openly avowed aim the promotion of Bolshevist revolutions throughout the world. Leaders of the Bolshevists have boasted that their promise of non-interference with other nations would in no wise bind the agents of this body. There is no room for reasonable doubt that such agents would receive the support and protection of any diplomatic agencies the Bolshevists might have in other countries.

"In the view of this Government there cannot be any common ground upon which it can stand with a power whose conceptions of international relations are so entirely alien to its own, so utterly repugnant to its moral sense. There can be no mutual confidence or trust, no respect even, if pledges are to be given and agreements made with a cynical repudiation of their obligations already in the mind of one of the parties. We cannot recognize, hold official relations with, or give friendly reception to the agents of a government which is determined and bound to conspire against our institutions, whose diplomats will be agitators of dangerous revolt, whose spokesmen say that they sign agreements with no intention of keeping them."

Oddly enough, this note was not written yesterday. It was written in 1920 — twenty years ago — by the Honorable Bainbridge Colby, Secretary of State under President Woodrow Wilson. (See SOCIAL JUSTICE, January 1st.)

This official note, which so clearly outlines the policies of Stalin's Bolshevist government as to sound almost prophetic, laid the basis for the policy of the United States toward Soviet Russia throughout the administrations of Wilson, Coolidge and Harding.

Secretary Hughes Backed Up Colby

When Russia made a new bid for American friendship in 1923, Secretary of State Charles Evans Hughes answered in a note along the general lines of the same policy laid down by Bainbridge Colby.

Secretary Hughes also made public a list of instructions which had been sent by President Zinoviev of the Communist International and the Petrograd Soviet to the Workers' Party of America. The instructions included: "All activities must be directed among workers in large industries such as railroads, mines, steel works, etc." The instructions closed with the statement: ***"We hope that the party will step by step conquer the proletariat forces of America and in the not distant future raise the Red flag over the White House!"***

The late Elihu Root, one of the world's outstanding international lawyers, commenting on the Hughes rejection of Russia overtures, said:

"He (Hughes), knew also that the fundamental doctrine of the men who govern Russia now is that it is their mission in the world to overturn and destroy the Government of the United States, of England, of France, of all the civilized nations of the western world. He knew that to recognize the Russian government would be to open the doors to them to carry out their purpose of destructive enmity, and would be a stupid and idiotic yielding to mere momentary expediency in order to make future disaster certain."

Recognition of Russia a Roosevelt Decision

It was on November 16th, 1933, that President Roosevelt announced after conferences with Soviet Foreign Affairs Commissar Maxim Litvinov that the United States would recognize the Communist government and renew normal diplomatic relations with Russia.

Advocates of Russian recognition hailed the action as one which would bring a great increase in trade between the two countries, and predicted that friendly relations between the United States and Russia would have a salutary effect on world peace and stability.

One of the important paragraphs of the Roosevelt-Litvinov agreement read: "There has taken place an exchange of views with regard to methods of settling all outstanding questions of indebtedness and claims that permits us to hope for a speedy and satisfactory solution."

The debts which Russia owed the United States totaled more than $435-million. Russia sent negotiators, but it was apparent from the start that Russia had no intention of ever paying the debts. Negotiations were broken off when the Soviet government turned down the last American offer and refused even to submit a counter proposal.

Soviet Violates Its Solemn Pledges

But the most important promise made by Soviet Russia was the pledge to refrain from interfering in any manner in the internal affairs of the United States, to stop propagandizing in the United States, and not to "finance revolutionary organizations agitating a change in the political or social order of the United States. These were the very promises which Secretaries of State Colby and Hughes had warned, years before, Russia would make but would have no intention of keeping.

Russia did make the promise in 1933 and it was accepted. Still in August, 1935, the seventh Congress of the Communist international—with American delegates participating—adopted a policy recommending activities in the United States which were in complete contradiction to the promises of Litvinov. The American Government protested. Russia answered curtly that ***it refused to take upon itself any kind of obligations in regard to the Communist International,*** and actually refused to accept the American protest.

The investigations of the Dies Congressional committee produced new proof that Russia is still violating her solemn pledges. Its report discloses direct evidence of links between Moscow and Soviet agents in the American Communist Party, in some labor unions and civil organizations. Moscow has poured money into subversive activities in the United States.

Russia's most recent affronts to the United States are fresh in every mind. There was the *City of Flint* case in which Russia ignored international law and permitted Germany to keep a seized United States ship. Russia refused to co-operate with American diplomatic officials seeking information about the safety of the ship's crew. There was Premier Molotov's blunt charge of "United States meddling" when President Roosevelt sought peaceful settlement of the Russian-Finnish dispute. There was Russia's ignoring of the Roosevelt note offering his good offices to end the Finnish dispute. Then came Premier Molotov's almost insulting statement that President Roosevelt's plea against the bombing of open cities was "pointless."

The Roosevelt Administration, which flew in the face of respectable precedent to recognize the Stalin Communist regime, started a train of events which has had dire results for the national welfare. There can be no dispute as to the responsibility for Russia's recognition; there can be little room for argument as to the responsibility for future action in discontinuing that recognition.

Big Headline That Papers Didn't Print

"Gandhi Backs Hitler's Stand." There is a headline which nobody in America read. No wonder; it was not printed.

If such were the fact, would not our newspapers most certainly have played it up? Every editor in America, you say, would have realized its significance.

What a blow to England's war plans to have the most powerful man in Asia, next to Stalin—the most popular leader in Britain's largest possession — taking the enemy's side, and actually coming out against England and in favor of Hitler! You'd think the "all-the-news-that's-fit-to-print" boys would surely have given it an 8-column heading.

There were no headlines, but there ought to have been; for Mr. Gandhi did back Hitler's stand! Here is the material which our newspaper editors had for the headlines that they did not write:

Hitler's words on India, pronounced in Munich a few minutes before that famous bomb went off, were not printed in your newspaper. He said.

"If the British say that they want to champion the cause of liberty, Great Britain could set the world a wonderful example by granting complete freedom to her own peoples at last. *How noble this new British crusade would appear, if it had been introduced by a proclamation freeing the 350-million inhabitants of India!"*

Here is Gandhi's comment, as reported by the United Press and buried on the inside pages of your newspaper:

"No wonder Hitler challenged the British government to prove its sincerity by recognizing India as a free nation!"

If this news had been headlined, the Prime Minister's recent remarks that the British Commonwealth of Nations was never so united as now would not seem to be quite so literally true.

That there were no headlines would seem to indicate that the news sense of our "newshawks" must be consideraly duller than we are led to believe. Or could it be simply that our newspapers are not sufficiently "objective" in their reporting?

Might it not also be true that they, once more, are guilty of actually suppressing legitimate news ***just because it is unfavorable to England's cause?***

A Little Study in Frankness of British Empire

"We shall tell you frankly what is happening, even when the truth is unpleasant, and we shall never refrain from publishing news except when it would be helpful to the enemy."

—Excerpt from a speech of Prime Minister Chamberlain broadcast November 26th.

"The effect of . . . suppression of news by the British authorities, it is stated, is to create doubt and suspicion that the whole truth is not being told. The hardest cut of all is the fact that an important United States radio station is now prefacing its news from Great Britain with the comment: 'You can take it for what it is worth, too'."

—Excerpt from a dispatch from Durban, South Africa, in London Times of Nov. 28.

The Week's True Life Story

Mr. Homebuyer's Experience

He Pays $10,970 on a $6,800 Home and Loses It, Still Owing $3,800! That's 'Interest'

MR. HOMEBUYER of Pontiac, Michigan, owned a thriving little business—a grocery store. Things were breaking rather well that Spring of 1923; so well, in fact, that he decided it was about time to invest in a home.

Paying rent year in and year out was economically unsound, he reasoned; for over a period of years the amount handed over to the landlord would more than equal the cost of a comfortable home. He merely gave a monthly profit to his landlord or, as he figured, paid for the house owned by someone else.

No, it wasn't logical. At the end of 15 years he would have nothing to show for his outlay but rent receipts, while his landlord still would have the home, plus all the profits derived from rent. Purchasing a house on the instalment plan might be a slightly greater burden; the payments might be somewhat higher than his monthly rent, but it seemed worth the price. In 15 or 20 years, the place would be paid for. He could then live the rest of his life free of rent and instalment payments and happy in the knowledge that he had provided for old age. When his children grew up and married, he did not want himself and wife to be dependent upon them for a place to live.

So Mr. Homebuyer called on a local real estate firm, told them his plans.

Buys Ideal Little Home and Moves In

The agent had just the kind of house Mr. Homebuyer described. "The price is $6,800 and all you need is $800 down," he said.

That sounded fair enough to the prospect. It was approximately what he had expected to spend. And after inspecting the house from basement to attic, he and his wife agreed the place was as near to ideal as they might hope for.

Mr. Homebuyer instructed the realtor to proceed with arrangements for the purchase. A contract was drawn up, stipulating that Mr. Homebuyer would pay $800 down and $45 a month, including principal and interest, on the $6,000 balance. In accordance with Michigan law, the interest on the mortgage, bought by an insurance company, was set at 7 per cent per annum on the unpaid principal.

Mr. Homebuyer naturally did not welcome the opportunity to enrich an insurance company, but he realized that 7 per cent for such contracts was both legal and customary and consequently he offered little resistance. Ninety-five per cent of the houses on his street were owned by their occupants and Mr. Homebuyer knew that most of those persons were also paying 7 per cent. There was no alternative under the system.

Regardless, he would be paying only $45 a month—not much more than his present rent—and at the same time would be retiring the $6,000 principal still due on the house.

Mr. Homebuyer moved his family into their new home. It was all they desired — pleasant, comfortable and surrounded by large, green lawns in front and rear.

On July 1 he mailed his first $45 check to the insurance company. One would assume that a considerable portion of the money would apply on the $6,000 debt, but under the terms of Mr. Homebuyer's contract such was not the case. Only $10 of the $45 went to cut the indebtedness, for $35, or nearly *78 per cent* of the payment, went for interest! To some, inexperienced with interest, this may appear incredible. Therefore, we shall demonstrate how it occurred.

Seven per cent of $6,000 equals $420 (one year's interest)

$420 divided by 12 equals $35 (one month's interest)

Of course, the interest takes precedent over the principal.

Cuts Down Interest 5 Cents a Month

Next month, Mr. Homebuyer paid another $45 instalment, and this time $34.95 of that amount was interest, with only $10.05 applying on the principal. By reducing the debt $10 in the first month his interest the second month had diminished 5 cents, thus allowing 5 cents more to apply on the $5,990 mortgage. So it was all during the life of the contract—the usurious interest charge dropped only 5 cents a month, despite the fact it was levied only on the unpaid principal.

The December payment, six months later, dented the debt only 25 cents more than the first instalment in July. Interest for that month consumed $34.75 of the $45 payment, leaving $10.25 to reduce the indebtedness.

Thus, by the end of 1923, Mr. Homebuyer had paid $270 on his home, but $209.25—or *77½ per cent was interest*, while only $60.75 actually represented payments on his home.

In 1924, the situation was almost as ridiculous. Mr. Homebuyer made 12 monthly payments of $45 each, totaling $540. However, *76½ per cent* of the amount—$413.10—was interest and only a fraction of his payments—$126.90—constituted real applications on his debt.

Through the years, Mr. Homebuyer continued these exorbitant interest payments until, in 1936, an investment enterprise in which he was a party, failed. In order to satisfy a judgment he was forced to liquidate his business. During the first 6 months of the year he had paid $270 on his home—$137.25 in interest and $132.75 on the debt. At last he was catching up to the usurious angle; soon the interest would be less than the actual payments on his mortgage—he hoped.

Insurance Company Forecloses on Home

But after his unfortunate business reversal he found it extremely difficult to meet his monthly payments. The Federal Government by this time had established the Home Owners Loan Corporation to aid persons in just such strained circumstances. He sought to avail himself of the service, for under a Home Loan he would have to pay only 4½ per cent instead of the excessive 7 per cent interest.

The H.O.L.C., however, refused to handle the deal, because the insurance company which held his mortgage declined to scale down the debt from $3,800 to $3,000.

Desperately, Mr. Homebuyer tried to stave off defeat, tried to save his home, but there was nothing he could do—no money to be had. The insurance company foreclosed.

Let us examine Mr. Homebuyer's record of payments and determine whether any injustice was involved when he was deprived of his home. In 13 years since he bought the house he had paid $7,020 in instalments—or $1,020 more than the $6,000 balance of the purchase price. Conceivably, the house should be paid for, the debt completely cleared. But it must be remembered he was being charged 7 per cent interest. Sounds small enough, doesn't it? However, that seemingly harmless 7 per cent operated to take $4,828.40 of his $7,020. This left only $2,191.60 as actual debt payment!

Investment of $10,970 Leaves $3,808 Debt!

That was not the only money that had poured down the rat hole, for during his occupancy of the house he had installed a new roof at a cost of $700, a furnace for $250, built a $400 garage and paid $1,800 in taxes on the property. Those expenses, combined with his $800 down payment and his 13 years of monthly instalments, amounted to $10,970.

Do not forget the original price of the home was only $6,800. Yet he had spent $10,970, including $3,950 in improvements and was now being dispossessed. Why? **He still owed $3,808.40 on the $6,000 principal!**

Instead of $45 a month for the home—which he was now losing—Mr. Homebuyer had spent approximately $70, taking into account his taxes and improvements.

The only solace he received from his bitter, costly experience was the fact that his was not an isolated case. He recalled that in 1923, 95 per cent of the families on his street owned, or were buying their homes. Now, only 5 per cent owned their homes, for many had fallen victim of the system in the same fashion as he.

Reconciled to his misfortune, Mr. Homebuyer assigned his contract to his creditor and remained in the home that should have been his. Not rent free, of course. No, after investing $10,970 in a $6,800 home he again was paying rent—$35 a month. The second month he was three or four days late; money was scarce. Promptly, he was served with an eviction notice, but a friend came to his rescue and paid the rent.

That was Mr. Homebuyer's experience with interest—legal, 7 per cent interest. His case undoubtedly has been duplicated in hundreds of thousands of instances.

MONEY

The Root of All Evil

OUR READERS are now aware of the different kinds of money in existence, namely: *Tangible money* (coins or paper billfold money) and *bank credit money*. Last week, we discussed the different kinds of tangible money such as Federal Reserve Notes, National Bank Notes, Silver Certificates, United States Notes, and Gold Certificates. We shall now deal with the *bank credit money*.

Bank credit money is simply bankers' promises-to-pay money, *created by the banks by making loans*, and crediting the amounts of the deposit accounts of the borrowers.

This type of money is used daily in the form of bank checks to buy goods and services, and to pay debts. This is the key to all of our past depressions.

These private issued promises-to-pay are predicated on loans repayable with interest. They can be recalled at the will of the private issuer. These private banks have the power to call in and cancel these loans, thereby causing fluctuations in the price levels; and the decline in the price levels causes money to become scarce, business profits to fall off, unemployment and foreclosures.

How Private Bankers Actually Create Money

How do banks "create money" out of loans by mere bookkeeping entries? By the following process:

John Jones, a business man, needs $10,000. He goes to the bank and explains the nature of a business he proposes to conduct. He takes to the bank certified figures indicating the value of his business, factory, farm, home, etc. If the banker is satisfied with the amount of real wealth to be pledged, he gives John Jones a note to sign. This note is a mortgage upon the wealth John Jones already owns, and it gives the banker legal power to confiscate the wealth, if John Jones does not pay, at a specified time or sooner, the dollars he is borrowing. The banker then manufactures the money on his ledgers.

How does he do this? When the banker accepts John Jones' note, on the asset side of the ledger, he writes:

	Assets	Liabilities
Loans and Discounts	$10,000	

On the liability side, he writes Deposits ..... $10,000.

At the instant the above entries are made on the bank ledgers, *there is* $10,000 *more money in existence and available for use* than existed before the banker made these entries.

What does Mr. Jones do with this so-called bookkeeping money? He goes back to his factory with a bank book—not with actual tangible currency — showing a *deposit on his account* of $10,000.

What is the exact nature of the item on bank balance sheets called *"Deposits?"* The *"Deposits"* are, actually and legally, nothing but liabilities of the bank. They are the money the bank *owes*, not what it has. In other words, a bank deposit is actually a bank's promise, nothing more.

Bankers' Promises Circulate as Money

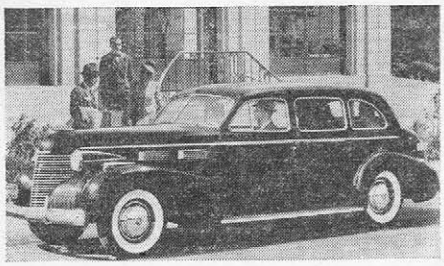
The checks that John Jones writes against this deposit fulfill the function of money; i.e., they pay laborers, buy materials, etc. This is only possible because other banks are doing the same thing at the same time. A bank against which checks are drawn receives the proceeds of similarly manufactured deposits, or bookkeeping entries or "fountain-pen money," in other banks. Each bank receives checks drawn on other banks which offset those drawn against it. All must work together. If there were only one bank, the fraud would soon be detected.

This process, whereby John Jones pledges real wealth — his factory, farm, or home—to secure the banker's fictitious bookkeeping money, is most dishonest. It enables the banker to lend purchasing power (bank credit money) which costs him nothing but the general overhead of running a bank. The bankers would like to have the people believe that they lend money that other private individuals have brought to the bank, but this is not true.

In the meantime, John Jones and all the American people must pay interest for the *existence* of bankers' bookkeeping money, with which 95 per cent of American business is transacted.

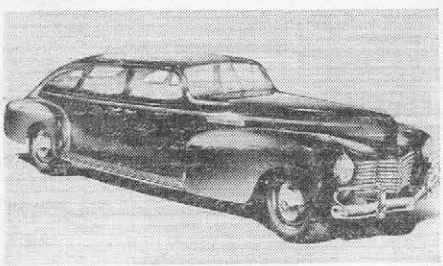
Problem: How do banks create money which has been substituted for our national currency? What are bank deposits?

GRAND PRIZE



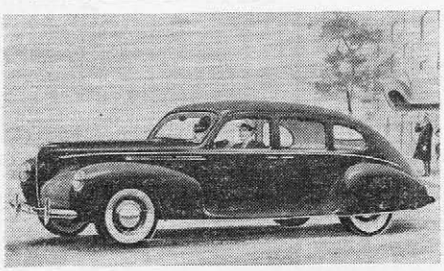
Cadillac 72, Fleetwood Body

SECOND PRIZE



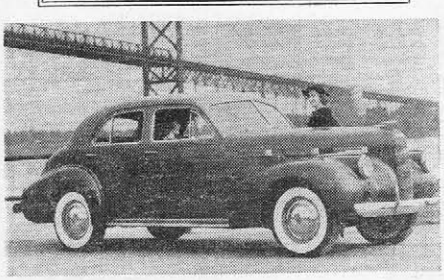
Chrysler Crown Imperial

THIRD PRIZE



Lincoln-Zephyr V-12

FOURTH PRIZE



La Salle 52 Special

YOUR Car Is Waiting!

Shakespeare said: *"There's a tide in the affairs of men which, taken at the flood, leads to fortune."*

The great *"FORWARD AMERICA" Contest* of SOCIAL JUSTICE, now swinging into its third week, could mean the turning point in the fortunes of your life —if you enter NOW.

With eight handsome automobiles, and a total of $15,000.00 in cash and car prizes to be distributed to 136 readers within the next 15 weeks — you should be entered this very hour.

This great subscription drive is a competition for ALL readers of this magazine, regardless of age or sex. Its purpose is (1) to help in keeping Father Coughlin on the air and (2) to drive the national circulation of SOCIAL JUSTICE to 500,000.

Start early to pile up your Votes. Each subscription you send in entitles you to so many Regular Votes. And — remember this—during this First Period of the Contest the Bonus Vote Schedule is higher than it will ever be again. TAKE ADVANTAGE OF THAT!

Use your Nomination Blank right now. As soon as it arrives in our office you will be forwarded all necessary equipment and information to win.

Your Nomination Blank will count for 5,000 Votes. And, if you send your first yearly subscription together with your "Start-Off" Coupon, you will be credited with 20,000 Extra Votes. Of course, you also get credit for the votes, according to the subscription, on Regular Vote Schedule.

The time for action on your part is right now — while the Contest is young — and the Bonus Vote Schedule is high.

So—

Address all Contest Correspondence to:

'CONTEST MANAGER,' SOCIAL JUSTICE, ROYAL OAK, MICHIGAN

PLUS $3,118 IN CASH PRIZES

The Ninth Prize in the great "FORWARD AMERICA" Contest is $500.00.

There will be 100 Grand Cash Prizes totaling $1,618.00 ranging from $150.00 downwards.

Over and above these, 27 Special Cash Prizes totaling $1,000.00 will be distributed during the progress of the Contest to those who turn in the largest number of subscriptions or the highest amount of subscription money during period to be stated later.

So you see, there is not a man or woman, boy or girl, among the army of SOCIAL JUSTICE readers who cannot, with a little work among friends in spare time, "land in the money." But—

IT IS IMPORTANT TO START EARLY!

SCHEDULE OF REGULAR VOTES

On Prepaid Subscriptions to SOCIAL JUSTICE

Subscriptions	Votes
6 months ($1.50)	4,000
1 year ($3.00)	10,000
2 years ($6.00)	30,000

The above are Regular Votes and will maintain the same values throughout the Contest. A special club bonus of 100,000 EXTRA votes will be allowed on each $15.00 worth of subscriptions turned in.

On each new subscription (2-years, 1-year), the following bonuses will be allowed:

40,000 EXTRA votes up to March 4; 30,000 EXTRA votes from March 5 to March 18; 25,000 EXTRA votes from March 19 to April 1; 20,000 EXTRA votes during the final period, April 2 to April 15.

Extra or Bonus Votes are issued only after the conclusion of the Contest.

136 Must Win

GRAND PRIZE	**$2,995.00**
Cadillac 72, Fleetwood Body	
Second Prize	2.245.00
Chrysler Crown Imperial, 4-Door, 5-Pass.	
Third Prize	1.483.00
Lincoln-Zephyr V-12, 4-Door	
Fourth Prize	1.440.00
La Salle 52 Special, 4-Door	
Fifth Prize	1.152.00
Pontiac 4-Door Sedan	
Sixth Prize	985.00
De Soto Custom, 4-Door	
Seventh Prize	805.00
Plymouth De Luxe, 4-Door Sedan	
Eighth Prize	777.00
Ford Tudor De Luxe Sedan	
Ninth Prize (Cash)	500.00
100 Grand Cash Prizes	1,618.00
27 Special Cash Prizes	1,000.00
Total of Awards	$15.000.00

Get Self or Friend in the Running Today!

FREE VOTE COUPON

Good for 100 Votes in "FORWARD AMERICA" Contest starting with this issue.

CONTEST MANAGER, SOCIAL JUSTICE
Royal Oak, Michigan

I hereby cast 100 Votes for—

Name _____
(As a Contestant in your $15,000.00 campaign)

Address _____

City or Town _____ *State* _____

This Coupon filled in and sent to the CONTEST MANAGER will count towards winning a prize in the great Contest.

Must be sent in before Midnight of Jan. 31

'Start Off' Subscription Coupon

(Good for 20,000 Votes)

Return this Coupon to the Contest Manager with your first yearly subscription payment ($3.00), either old or new, and you will receive 20,000 votes, in addition to the votes allowed on Regular Vote Schedule.

Name of Subscriber _____

Address _____

City or Town _____

State _____
(Your own subscription or renewal will count)

NEW SUB. _____ OLD SUB. _____

This coupon, accompanied by the Nomination Blank and your first yearly subscription, will start you in the great Contest with 25,000 Votes, plus the Regular Votes on the subscription, as shown in the Regular Vote Schedule. Only one of these coupons will be credited to a Contestant.

NOMINATION BLANK

(Good for 5,000 Votes)

_____ 1940

Contest Manager, SOCIAL JUSTICE,
Royal Oak, Michigan.

Please enter my name as a Contestant in the "FORWARD AMERICA" Contest. I understand this Blank filled out and sent in will entitle me to 5,000 Votes and that my first yearly subscription, old or new, will entitle me to 20,000 Votes.

My Name is _____

My Address is _____

City or Town _____ *State* _____
(You may nominate yourself or any other person)

ONLY ONE OF THESE COUPONS WILL BE CREDITED TO A CONTESTANT

Press and Propaganda

War of Propaganda May Be Already Won

Hunger in Jobless Home More Perilous Than Any Foreign Spy, Is View

THE LITTLE MAN, sitting in his little home, and wondering where he can get another pail of coal, will ultimately decide whether we get into war or stay out, asserts Samuel Grafton writing in the *New York Post*. He adds:

"We are being told to watch out for propaganda. Good enough. But in the larger sense, this is a false steer. The propaganda fight has already been fought and won by the Allies. The United States now hates Hitler more than it hated the Kaiser in 1916. The toothiest of British lecturers can add only a drop to the brimming bucket of our hate . . .

"History is made when the father of the family says he isn't hungry and slides his food down-table to his children, and the kids take it, trying not to think that's all there is, there isn't any more.

"History is made when the foreman at the plant tells John Smith, American worker, that he can't give him a job until the factory gets another war order, but that the factory isn't getting war orders because the Neutrality Act forbids lending money to the Allies. The muse of history really begins to smirk when John Smith walks down the factory street, feeling the stones through his shoes and wondering why the devil we shouldn't lend money to the Allies when it means a job a man can work at and feed his kids with.

"A decent peacetime job would keep John Smith from making this decision . . .

"Tracing out the figures nationally, I find that the total of W.P.A. workers has been cut almost in half, from 3,043,367 in February to 1,661,970 in September. The rise in 'war boom' employment doesn't even remotely correspond to this wholesale slaughter of W.P.A. pay envelopes. The cut occurs at a time when a job is the best and most vital anti-war propaganda of all, because it talks to a man seven days a week and 24 hours a day.

"I have a feeling that we are flunking our national test. We are depending on a Neutrality Act, a dike of words against a sea of need and blood. We are asking men to consult the national interest first, at a time when the interests of their children clamor in their ears. We are asking the little man to be big. That is the measure of the smallness of our approach.

"The stage for war, the stage for our participation, is being set. It is a bare stage and on it are a few kitchen chairs, an empty table, a congealing stove; in one of the chairs sits a man who fears the morning and who will accept any hope that comes. So far, we have been afraid to look at him."

Ex-Critic Reveals How Pack of Red Aliens Runs Communist Daily Worker

NEW YORK, N. Y.—The case of Howard Rushmore, who was fired from the staff of the Communist *Daily Worker* for refusing to inveigh against *"Gone With the Wind,"* not only exposes organized journalistic prevarication at its blackest, but poses an important question for American legislators.

This question is: How much longer will the Federal Government allow unfriendly aliens to publish revolutionary newspapers in the United States, by which they distort every fact they print, urge civil and class war, and print open incitements to riot?

Any decent American who has read the *Daily Worker* knows that it is to all intents an organ of the Soviet Foreign Office printed on American soil. But what was not known until the dismissal of the paper's movie critic was that its writers and directors were mainly aliens.

Writing in the *New York Journal-American*, December 23, Mr. Rushmore declared: "Aside from the Negro, Ben Davis, the remainder of the (*Daily Worker's*) editorial board are Russian Jews."

Mr. Rushmore then disclosed that the actual editor of the Communist paper (*Clarence Hathaway, a native American who has the title of "editor." is only a front*), is Sam Don, who came from Moscow in 1936 and whose real name is unknown even to higher-ups in the Party. Second in command is Harry Gannes (real name also unknown), who at this writing is resting in the Jewish Hospital in Brooklyn while awaiting trial for traveling on forged passports.

Sam Don, according to Rushmore, is also one of the four "brains" behind the Communist Party in the United States. The others, he said, are Alex Bittleman, Jack Stachel and F. Brown—none of whom are citizens of the United States.

Concluding his expose, Mr. Rushmore wrote: "I am well aware that every paper has its policy—I learned that before I came to the *Daily Worker*. But I have never worked on a newspaper that had so little regard for the truth; that used reporters as foreign agents; that permitted the lie to be the rule of the copy desk. . . ."

Under United States law the only recourse that defamed citizens have is a libel action. But in the case of the *Daily Worker* and similar Red publications this is useless. There are suits amounting to hundreds of thousands of dollars against the Communist newspapers, but, although obviously subsidized by Moscow, they have not paid out one cent in damages.

Actions are drawn out endlessly through the courts and in the cases where judgments have been obtained, payment has been avoided by claims of bankruptcy or financial irresponsibility.

How Press Saw Message of President

SOCIAL JUSTICE was by no means alone in its disappointment over the President's message to Congress. Frankly, as we have stated elsewhere, we had hoped for more of the "spirit of '33."

The *Detroit Free Press*, whose independence as a commentator on the national scene is well established, was boldly outspoken in its criticism. Said the Detroit editorial writer:

"In his address to Congress, President Roosevelt said that the overwhelming majority of Americans hope and expect that the 'United States will not become involved in military participation in the war.'

"That statement is weak and too much qualified. We believe it badly misrepresents the temper of the country.

"Mr. Roosevlt would have interpreted public feeling much more accurately if he had said that the American people are resolved not to become involved in any sort of participation in the war.

"This may not be the President's own desire. We fear it is not. For only a short time ago he talked about interference in European affairs by taking measures 'short of war,' and some of his remarks yesterday suggest that he is still of his original mind. But the decision of the American people is for complete abstinence.

"And when Mr. Roosevelt spoke half patronizingly and half sneeringly of those who think we can go our way and mind our own business, he was by implication saying that the Administration either is not equal to performance of the full will of the nation or doesn't want to obey the nation."

Cleveland Editor Longs for Candor

"President Roosevelt would be a greater man, both today and tomorrow, if he were more candid," is the comment of the *Cleveland Plain Dealer*. "Since, in a political sense, he can easily afford to be more candid, one is at a loss to explain why he is not."

The editorial adds:

"George Washington was candid. So were Abraham Lincoln, Grover Cleveland and Woodrow Wilson. One never had to consult a soothsayer, during their lives or afterward, to discover what they were up to. And that was an essential part of their greatness.

"But this is 1940, and crystal ball gazers are in demand. We are not talking about the third term, either . . .

"Because the White House will not deign to be candid in the matter, we shall have to guess. And we guess that Mr. Roosevelt, at the outset of his administration, thought that something had to be done to give organized labor a leg up.

"If, however, Mr. Roosevelt's thesis was that one-sidedness as between capital and labor was wrong, he could have corrected the situation by restoring the balance. The event proved, or at least, in the general state of uncandidness prevailing at the White House, it appeared, that he had nothing against one-sidedness, so long as it was on the side of labor. The whole story of the sitdown double play, Murphy to Perkins to Lewis, showed that. So did the Administration's support of the lopsided Wagner Act and its even more lopsided interpretation.

"Now it looks as if the White House were not so sure."

"IT IS NOT GOOD FOR THE ULTIMATE HEALTH OF OSTRICHES TO BURY THEIR HEADS IN THE SAND" — FDR.
—*Elderman in the Washington Post*

Congress to Investigate Newspapers

WASHINGTON, D. C.—The collective faces of some of the country's big "independent" newspaper publishers are due to glow with a dull reddish hue, when and if a proposed Congressional investigation uncovers the facts about hinted subsidizing of Administration favorites.

The Washington columnists, who customarily possess much more information than they print, are freely predicting that as soon as routine matters have been disposed of, both Democratic and Republican Senators are going to call for a show-down—or show-up—on some goings-on in the newspaper business.

As one syndicated columnist reveals, R.F.C. Chairman Jesse H. Jones had at one time "150 applications for financial assistance from newspapers." These were mostly small fry, but the list is also said to have included ten large and important newspapers.

The information is that while it was not politically prudent for the Government to assist a newspaper directly, there are numerous banks and financial institutions in debt to the Administration, to whom a word from Washington would be sufficient to help out a needy publisher, providing his attitude toward the New Deal had been all that was desired. The implication is boldly drawn by these writers that just this sort of thing has been done.

What makes the tip still more interesting is the promise that something is going to be done about it in this Congress.

Neither Peace Nor Security Says 'Daily Worker'

The *Communist Daily Worker*, speaking the voice of Soviet Russia in America, reads "ominous meanings" into the President's message to Congress.

Says the *Daily Worker:*

"Preparation for war—this is the heart and soul of Roosevelt's message to the nation, with everything brutal and oppressive that this implies in the economic, political and spiritual life of the people.

"Roosevelt knew that he was speaking to a nation where there is uneasy suspicion about his future course concerning the two most vital of all problems—the fight for social legislation against poverty and insecurity, and the problem of keeping the United States out of war. Roosevelt's message contains verbal efforts to lull these suspicions.

"But with every word, his message carries the implication that the uneasiness of the American masses is justified on both counts."

The Ostrich as a Cake Eater

The *Chicago Tribune*, which has suspected Rooseveltian motives ever since they went to school together, can't resist that crack about the ostrich, or the cake-eaters. Says the *Tribune:*

"Mr. Roosevelt, in his message on the State of the Union, conveyed the impression that his is the best of all possible administrations, that it has led the country into green pastures, and that the only thing remaining for the people to do is to rally 'round the flag and give three cheers. All that can be said of this is that nobody but an ostrich which would stick its head in the sand—or in the cake—would believe it."

Lending Money Without Interest

New Testament Makes No Mention of Usury Forbidden Under the Old Law

By LOUIS B. WARD

(Editorial Director of SOCIAL JUSTICE)

THE NEW TESTAMENT is devoid of any reference whatsoever to usury or interest.

The truth is that students have long searched in vain for any reference beyond that in the *Sixth Chapter of St. Luke, 34th and 35th verses,* for any strict prohibition against the lending of money at interest, or usury.

The fundamental fact, of course, is that all which was worthy of conserving out of the Old Testament was continued and revivified in the New.

Christ tells plainly that He came not to destroy but to fulfill the Old Law. The sublime doctrines, the great moral teachings, the positive precepts, the commands and the counsels of the Old Law were, of course, not only continued but inspired by a higher idealism — the idealism of perfection.

The traffickers in money were the money changers of the Temple, as an example those whom Christ drove out by physical force. The Parable of the Talents applied to the use of one's own possessions and did not necessarily involve lending at interest. Increase there could have been through legitimate production and risk.

'Sinners Lend to Sinners' in Expectation of Gain

Matthew, writing particularly for the Jews, omits any reference whatever to the lending of money. But Luke, addressing a greater audience and one far more universal, is quoted as follows:

"And if you lend to them of whom you hope to receive what thanks are to you? For sinners also lend to sinners for to receive again as much."

From the minimum required to keep men out of hell to the perfect ideal to which a soul should aspire, there were many rungs in Jacob's ladder. The Old Law laid down the minimum requirement that interest or usury was not to be countenanced. The New Law laid down no precept whatsoever but offered man a divine counsel. Luke writes, "But love ye your enemies: do good, and lend, hoping for nothing thereby: and your reward shall be great, and you shall be the sons of the Highest . . ."

Christ was concerned with much greater benevolence for the reward was to be great. *The New Testament concerns itself not with interest and not with usury.* It concerns itself with the type of loan to the poor in their extremity and distress that is lent out of surplus funds.

It is one of the more frequent types of loan here in America. It is predicated in what once passed into the literature of poetry under the title *"The Great Security."* That little poem is lost to today's readers. It was simply the story of a widow borrowing of necessity and when asked for security replied, "God is my only security." The years passed, but one day the widow returned to repay. The lender showed no surprise as he accepted the return of the loan. *Behind it was the great security.*

In the counsel of perfection those endowed with the goods of the world are asked to lend. *This is not to be confused with charity in the sense of a gift.* It remains a loan. Thousands of these loans are made daily.

Many in U. S. Benefit From Interest-Free Loans

In an Eastern city there died, in the war period, a wealthy man who personally told the writer that he and his wife had an income in excess of $3,000 a day. He asked the writer to co-operate in his particular hobby of loaning money with no interest charge whatever to those in distress. When he died, a little lock box was found packed with the notes of those who had not yet paid, but his great joy was in the number who had paid.

A great woman teacher advised friends to lend freely for the education of youth, without interest. She died, having loaned without interest to thirty-nine people who went through college, and never lost one penny. One of these young boys was the first American bishop to be hacked to pieces while saying Mass on an altar in the Philippine Islands years before the Spanish-American war.

"Lend, never despairing" was the counsel as frequently rendered according to St. Luke. Lend with no hope of a return of the principal, is a counsel of perfection.

One of the wealthiest men of Detroit has loaned throughout his life "despairing of no man," and God's security has not failed him.

One of the humblest men in the Middle West has loaned constantly to boys in trouble and distress and reports the loss of $8 in principal over a period of thirty years.

It must not be even suggested that a man in modest circumstances should freely offer to the public his frugal savings. This would be ridiculous. Yet it is precisely those in moderate circumstances who most frequently offer to lend out of their slender means to those in dire need.

When the Michigan banks closed, a Detroiter was called to an Eastern city on the occasion of the burial of a life-long friend. When the sorrowing turned away from the grave precisely fourteen old-time acquaintances called the Detroiter aside and offered a loan of money.

The startling disclosure that the Michigan Bank Holiday was on, induced the imagination of those in other states to picture the consequent distress. Freely the loans were offered and in no case was interest, usury, *or repayment of the principal* even considered.

Moderns Distinguish Loan From Gift

Today, in America, in every community, there are those who distinguish the loan from the gift; there are those who distinguish, in thousands of instances, the pauperizing implications of the gift and just charity through the medium of lending.

This is the fourth in a series of articles on the "Immorality of Usury, or Interest." The first dealt with usury under the ancient Hebrews; the second, among the Greeks and the third, among the Romans. In the accompanying article the author comments on some modern instances of loans made without expectation of reward of interest profit.

The wife with a husband in jail, the widow and the orphan, the family overtaken by death and the recurrent factors of human misery that have dotted five thousand years of recorded history still find applied the borrowed precept of the Old Law to lend without interest or usury to those in distress. They witness likewise the divine counsels of the New Law, as Christ taught through St. Luke: "And if ye lend to them of whom ye hope to receive, what thank have ye? Even sinners lend to sinners to receive again as much. But love your enemies, and do them good, and lend, never despairing; and your reward shall be great."

In this series of articles on interest and usury, naturally we concern ourselves with lending and with debt. We will distinguish the prohibition of the taking of interest when the moral nature of the loan implied that no return over and above the principal was to be received.

We distinguish the widow and the orphan's money being set out to risk, in other words invested in productive industry where the return was the chief factor in inducing the loan.

We distinguish the professional money-lender who demanded interest on sterile money.

We distinguish likewise the loan of the wealthy to the poor with no insistence on even the return of the principal, much less, interest.

We will continue to discuss later phases of lending, debt interest and usury as adapted down through the centuries during the Christian Era even to our own time in this work-a-day world.

Mr. Archie Lockhead Gets a New Job; Paid Five Years in Advance!

WASHINGTON, D. C.—On March 2, 1939, the Honorable Henry Morgenthau, Jr., Secretary of the Treasury, testified before a subcommittee of a Committee on Banking and Currency of the United States in respect to *S. 910,* a Senate bill to extend the powers under the Stabilization Fund.

Mr. Morgenthau introduced what purports to be a copy of the balance sheet of the Stabilization Fund as of June 30, 1938, the date of the last audit.

Attention should be called to one of the greatest errors that could ever creep into the balance sheet of a reputable corporation.

We quote from Page 8 of the testimony:

"Special account No. 1 (Gold) 1,248,862,370 ounces (See schedule No. 1)—$43,701,226.28."

Now, if we multiply 1,248,862,370 ounces of gold at $35 an ounce, we are confronted with the figure of $43,710,182,950 ($43-billion). The Treasury figure shows $43,701,226.28 ($43-million).

A Mere Matter of Billions or Millions

There is not, of course, $43-billion of gold in the world. The present world total is approximately $28-billion. The Treasury got a little careless in confusing millions with billions, but this is nothing new.

In the same balance sheet on the same page is another item:

"Gold of Foreign Banks held with Federal Reserve Bank of New York as collateral on exchange deposits: Gold of Central Bank of China (1,395,381,168 ounces) — $48,838,340.89."

Here again, if we multiply 1,395,381,169 by the present price of gold o· $35 an ounce, we arrive at a figure of $48(billion),838,340,880. Certainly, of all Central Banks throughout the world, the Bank of China would not have this much gold.

Mr. Morgenthau really means one million, three hundred thousand ounces. But what's a billion among friends when it is other people's money and this is merely a sample of the Treasury giving a formal statement to an unimportant body known as the Senate of the United States.

But let poor "Pete Mullins" make an honest technical error in his income tax return, and God help the sanctity of his home from the prying eyes of the Treasury's secret service agents! Or let a group of investors attempt to float an issue on a Fresh Air Taxi Corporation, and heaven help the officers and directors for an over-appraisal of the fresh air included in the assets!

Duplication of Assets Embarrassing, Too

In respect of the transaction, the Secretary of the Treasury testified as follows:

"There are also occasions when the exchange rate between the dollar and the currency of a country with small gold holdings is subjected to pressure because of unfavorable political or economic developments. The fund can be employed and has occasionally been employed, in such circumstances, to help stabilize the dollar exchange.

"For example, our arrangement with China was just such an operation. There was strong pressure against the dollar-*yuan* exchange rate, thus avoiding additional obstacles to our trade. To eliminate any risk of exchange loss, China agreed to repurchase the *yuan* at the same rate at which the United States purchased them and China's promise was backed by adequate gold and silver collateral, which was kept on deposit with Federal Reserve Banks."

Obviously, according to the testimony, Secretary Morgenthau sold China American dollars when China needed those dollars to strengthen a depreciating *yuan.* In exchange, the Treasury received Chinese *yuan.* China agreed to buy back these *yuans* at the same price we paid for them.

As security, China deposited gold in the Federal Reserve Bank of New York. Then came the day when Morgenthau was to make up a balance sheet.

As assets, the Treasury credited *both the yuan and the gold* to secure the agreement to repurchase. Obviously, only one asset could possibly be counted. This duplication of assets represented a $48-million error.

Had this been an individual making a financial statement to a small town bank, the penalty incurred for his error would be state's prison. A false financial statement to a Federal bank is a Federal penitentiary offense. The false financial statement of a corporation selling the public its securities is heavily penalized under the S.E.C. But the Treasury of the United States can make a $48-million error, and who is there to question it?

Naturally, Mr. Morgenthau was not personally the bookkeeper, the accountant or the auditor.

(Continued on Page 17)

The Voice of Congress

Either from the *Congressional Record*, or communications directly to SOCIAL JUSTICE, these expressions of your Congressmen and United States Senators are given such deservedly wider distribution which publication in our columns will admit.

—EDITOR.

Jobless Millions Mark of Failure

By HON. H. CABOT LODGE, JR.

Senator from Massachusetts

AMERICA'S unemployed millions is a constant mark of failure in any practical plan for national defense. If our millions of useful workers are not fully employed, they constitute in themselves a vast army of potential discontent from which may quickly come the incendiary passions of war. For men who are constructively busy at their tasks find contentment in peace and work. Moreover, a national emergency which might find us with unemployed millions would in itself cause us the greatest grief, because the lag of unemployment would handicap us just at the time when we should be free-handed and ready to move forward with industrial efficiency.

The Brookings Institution has estimated the direct loss of wealth since 1929 at $200-billion, due to idle factories, idle farm lands, idle labor, and idle capital. This loss could have been avoided by the intelligent utilization of our natural, mechanical, and human resources. We possess the raw materials, the natural resources, the inventive genius and manpower, money, and supply of credit here in America to create and enjoy the greatest era of peace, prosperity, and happiness in the history of the world.

Science and research are presenting limitless new frontiers for the production of increased wealth and opportunity which far surpass the opportunities which were offered by the vanished frontiers of bygone days. Our full productive capacity has increased to such an extent that in 1939 it is probably 50 per cent greater than in 1929. We have learned how to produce; now we must devote equal intelligence to learn how to consume, so that a practical balance may be found between production and consumption. This is the war of peace and plenty.

Playing the Market With $2-Billion Fund

By HON. J. THORKELSON

Representative from Montana

THE $2-billion Stabilization Fund bestows extraordinary powers on the President and the Secretary of the Treasury. Now, $2-billion in gold is more money in cash than all the business in the United States ever has had at its command at one time. This money may be employed in so-called squeeze transactions to destroy ownership, change ownership, or place those in power who have control of the money. $200-million of this money is used by certain banks in New York City, and I am sure the taxpayers would be interested in knowing for what purpose. So would I.

This Stabilization Fund is used for no other purpose than to play the stock market, to sustain the prices of bonds and other market transactions. A $2-billion toy for the President and the Secretary of the Treasury is rather expensive, and the fact that nothing is earned on this money is reprehensible indeed. If the $2-billion had been used to retire foreign obligations that are always payable in gold, the taxpayers would have been richer by $200-million in gold, for that is just about the interest we have paid to foreign investors.

Let that be as it may, this fund is clearly unconstitutional and it is too much money for the President and the Secretary of the Treasury or anyone else to have at their own disposal, because no one yet has shown sufficient ability to be trusted with that much money. I do not make this statement in the sense of an accusation. My statement is made upon the evidence with which we are confronted today. Our monetary policy is rapidly destroying all private industry and the nation as well.

Browder Book States Red Aims

By HON. STEPHEN BOLLES

Representative from Wisconsin

I HOLD in my hand Earl Browder's latest book. If Earl Browder were in Russia, and if he had attempted to write a book of this character, opposing the Stalin government, he would be shot, not only at sunrise, but probably in the afternoon as well! He says:

"Lenin always insisted on facing reality; he was the uncompromising foe of utopianism and wishful thinking. It is with this Leninist attitude that we Communists guard against any exaggeration of our party's influence, that we guard against placing immediate tasks which are not matured. We know that the very broad influence exerted by our party is not a sign that the American masses are ready to build Socialism in our country now as an immediately practical task. It is the guiding thought of everything we do to prepare and educate the masses for Socialism and to lead them to its realization when they are ready. But nothing is further from our minds than any abortive attempts of a small minority to impose its will upon the masses.

"We base ourselves completely upon the democratic masses, upon the working class, and all toilers who comprise the overwhelming majority of the people, and we set to tasks that the masses are not themselves to be the moving and decisive factor in accomplishing. We are first and last democratic in this most fundamental sense. And it is only because we have made this point unmistakably clear that we are steadily growing in numbers, and even more in influence, even though we are still a small fraction of the population."

I say to you that the time will come —and I do not believe we should bury these things—when we will very carefully scrutinize some of this literature that is passed out, and which is supported and given kind words by a number of the gentlemen on this floor.

Expense Exceeds Western Wealth

By HON. GEORGE L. BENDER

Representative from Ohio

IN 1938 the entire income of the western half of the United States, from the Mississippi River to the Pacific Ocean, was $17,696,000,000. A huge figure, indeed, yet in the same year Federal, state, and local governmental units of our nation spent $18-billion.

When we pause to ponder these almost incredible figures, we are struck with their implications. The Western empire, with its vast output of gold, silver, copper, wheat, corn, milk, cheese, potatoes, beef, sugar, coal, and lumber earned less in one year than it cost to operate our Government.

And further analysis gives us no source of comfort. From every dollar earned by the producers of our national wealth in 1938, 30 cents went to maintain the governmental units which we have created.

To be sure, this money spent by our governing officials went to many a valuable cause. For one thing, it served to keep our needy from acute distress. But those who imagine that this was the major expenditure on our national budget are in for a rude surprise. Of every $6 expended by our spending officers, only $1 went for relief.

Almost every other large increase in our spending program can be accounted for by study of the amazing increase in the Government services added to our burdens by fruitful minds bent on augmenting the functions of Government in every area of public life.

In the last seven years 67 new Federal boards, commissions, administrations, authorities, and agencies have been created to supervise the conduct of our business life. From shelling peanuts to producing steel, not an industry has been intentionally omitted by our governing agents.

Agency Rentals Cost Too Much

By HON. EVERETT M. DIRKSEN

Representative from Illinois

WE NEED to get rid of some of those hifalutin', worthless agencies that are occupying rented space in Washington.

Now, what are some of these agencies that we could just as well evaporate or just as well get rid of and save a few dollars for the taxpayers as we go along; some of these agencies that are feeding off of the vitals of the Republic and sapping the strength of our taxpayers and destroying their independence?

Let me say to you that the average rental that is paid is 95 cents a square foot, but let me read to you some of these hifalutin' agencies and the amount they pay for their space:

National Defense Power Committee, 7,990 square feet, $19,974.96, or $2.50 a square foot.

Central Statistical Board, 6,700 square feet, $10,084.44 or $1.50 per square foot.

Federal Housing Administration, 18,000 square feet at $17,000, and 100,000 square feet at $155,000, and 48,000 square feet at $74,000.

National Emergency Council, that council that came in here a year ago with a statement to the public that they had to have more money in an election year, 16,500 square feet at $28,800, or $1.70 a square foot.

National Labor Relations Board, 29,790 square feet at $74,475, or $2.50 a square foot.

T.V.A., 2,800 square feet at $6,300, or upward of $2.00 a square foot.

About three-fourths of these institutions which I have read and referred to and which actually pay the bulk of the high-priced rent that is paid by this Government out of the 3,600,000 square feet of rented space, should be abolished immediately and we should get rid of that cancer on the Government of the United States.

Rain of Checks Does Not Help Crops

By HON. CHESTER H. GROSS

Representative from Pennsylvania

OUR NATIONAL debt is $44-billion. We are adding to it at the rate of $7,000 per minute. It increased from $12-billion to $44-billion under the present administration in six years. The interest is more than $1-billion per year.

In 1913 our Government cost $34 per family. In 1939 it cost $540 per family. Our national debt is $1,332 per family. This statement refers only to our Federal Government.

We have appropriated for all relief purposes since 1933 about $23-billion and now have 11-million unemployed people.

The Federal Government has appropriated for farm relief since 1933 more than $3-billion. This amount is, but should not be, figured in the farm income.

The "gentle rain of checks" through the South and West has not helped our agricultural situation. The United States has 11-million bales of surplus cotton. We imported 184,000 bales of cotton in 1938. Other imports were as follows: January, February, and March, 1939: 622,617 bushels of potatoes, 18,522,000 pounds of canned tomatoes, 90-million pounds of hides, 64,667,000 pounds of wool, and 2,595,000 bushels of wheat.

Let us maintain our constitutional form of government with its checks and balances, remembering that under our form of government "what the people really want they generally get."

In countries ruled by dictators the dictators change the people. In countries like our own the people change the President.

Monopoly Curb, Honest Money Needed

By HON. COMPTON I. WHITE

Representative from Idaho

IT HAS BEEN my contention all along that the two main problems confronting the people of this country and which the Congress must solve by the enactment of constructive legislation as the means of restoring national prosperity are, first, to devise and put into operation an adequate monetary system free of a continuing interest charge, and second, the enactment and enforcement of the necessary laws to curb monopolies and eliminate unfair competition and unfair trade practices which will operate to give free play to the law of supply and demand and re-establish the parity between the prices of the basic industries—farming, mining, lumbering —and the price of the products of the manufacturing industry which must be attained before there can be any permanent prosperity in this country.

In reviewing the record of the Congress in passing remedial legislation and the many expedients that have been applied in enacting laws to assist business and industry, it is apparent that we have failed to solve the main issue. This situation is outlined in an editorial which appeared in the *Idaho County Free Press*, as follows:

"Mr. Congressman, It Is "Up To You

"The theory of pump priming is the same as that when the old valves of the pump begin to wear out, one can keep it going for a time by pouring water down the pump, and by working the handle rapidly the water will be raised and will flow freely as long as the up-and-down motion keeps up.

"The bad part is, that the darned old pump needs a new priming every time you want a new supply of water. It seems to a natural born dumb moron, like myself, that the old pump needs new valves.

"We have primed the pump now for 6 years. Once, in 1937, it looked as if it might succeed, but alas, it was only that the old worn-out leather valves had swelled, and gave a fine flow for a time. Then the thing refused to work again, and like the man spoken of in the Bible, the last condition was worse than the first. You 535 wise men in Congress, you have dilly-dallied long enough. You have got to roll up your sleeves, spit on your hands, and come down to earth, and solve this problem of 10-million to 12-million out of work, or prepare for the worst storm that ever hit this grand old U.S.A., and there are millions of we common folks that don't mean maybe.

"No doubt it is going to hurt. All major operations hurt. And there is no sleep-producing drug that will help. You and I and everyone must just 'grin and bear it.'

"Borrowing will soon end, or end in disaster. Pump priming has gone the limit. Mr. Congressman: Mr. White, Mr. Borah, Mr. Clark, Mr. Dworshak, from Idaho, just what are you going to do?

"You cannot plead that it is not your 'baby'; it is, and getting wetter and hungrier every minute.

"We are all in the same boat. The twin storms of war and inflation are just off the weather bow.

"You had better forget petty politics —you Democrats, you Republicans, and you what-nots—and gather 'round the table, and do something before it is everlastingly too late. And again I don't mean maybe.

—Pop."

Young Bob Cites Farm Tragedy

By HON. ROBERT M. LA FOLLETTE

Senator from Wisconsin

I THINK all those who are familiar with the rural and agricultural areas will agree with me when I say that the most menacing thing, so far as the maintenance of democracy in the agricultural areas is concerned, is the alarming increase of farm tenancy.

Families that have lived upon farms in some instances for two or three generations are being foreclosed upon; they are being stripped of everything they have; and then, under this inconsistent policy of the Government, they become eligible to secure a loan under the Jones-Bankhead Farm Tenant Act in order that they may again become farm owners; or they may be picked up by the Farm Security Administration and rehabilitated upon a farm.

In many instances the lending agencies of the Government which have these mortgages are foreclosing them and taking a reduction in the principal of the mortgage at the foreclosure sale which, if extended to the present owner, would enable him to fulfill his obligation, make his interest and principal payments, and keep himself and his family upon the farm.

Recently a survey of this situation has been made in my own state by a number of the state agencies. I want to read from it.

"However, there are data available showing that the number of farms being foreclosed in the State of Wisconsin is growing at an alarming rate. These foreclosures are in large measure the result of indebtedness to the Federal Land Bank and the Land Bank Commissioner. Statements are made to us daily that the practices of these quasi governmental agencies are more rigid and unsympathetic than those of the majority of private creditors. We know many instances wherein the Federal Land Bank has sold foreclosed farm property for less than the face value of its mortgage without being willing to offer the advantages of this type of mark-down to the indebted farmer, who may have shown satisfactory evidence of ability to conduct a farm by virtue of long years of operation.

"Such practices are in conflict with the stated rehabilitation purposes of other Federal farm agencies, such as the Farm Security Administration, and to evidence a hard-boiled unconcern with the general deflation in values which has set in since the farmer undertook his loan, which lends little more than legal right to the foreclosure, rather than social justice or economic validity."

Farm and Labor

Farm Certificate Plan Hits Consumer, Farmer

Wallace Proposal Merely Disguised Processing Tax to Aid Boondoggling

THE NEWS: His crop control dictatorship over American farmers threatened by the refusal of Congress to raise money for farm parity payments, Agriculture Secretary Henry Wallace has adopted a step-brother of the outlawed processing tax as a means of financing his program.

Instead of receiving whole-hearted support, however, the Secretary has encountered stiff opposition even among Administration circles, so it is doubtful whether the present Congress will act favorably on his proposal.

Treasury Secretary Henry Morgenthau condemned the plan as a processing tax, a tax on the consumer. He said 60 per cent of the consumer's dollar is now finding its way into Federal, state, county and municipal treasuries and that burden must not be increased.

He also objected to the measure because it would usurp the constitutional power of the Treasury to levy and collect taxes; as a hidden tax levied by the Department of Agriculture it would set a bad precedent which might result in other departments of the Government imposing other hidden taxes at the expense of the consumer.

COMMENT: With this internal battle brewing in his Cabinet President Roosevelt has indicated that he will remain neutral, neither approving nor opposing the plan, but permitting the Wallace and Morgenthau forces to fight it out through their friends in Congress. Wallace himself will not submit his proposal to Congress but will support almost identical measures already submitted by Senators Wheeler of Montana and Lee of Oklahoma.

The Wheeler bill would apply only to wheat and the Lee measure to cotton. An analysis of one is sufficient to demonstrate how the system would operate.

Wheeler's bill proposes to pay wheat growers a supplemental parity payment equal to the difference between parity price or cost-of-production (whichever is higher), and prevailing market price. Payment would be made by the Agriculture Department with funds obtained by the sale of certificates to processors. Value of the certificates would be the difference between the current marketing price and parity price or cost of production, whichever is higher. Cost of production would be estimated by the Bureau of Agricultural Economics, and the number of certificates issued would be based upon the domestic marketing allotment as determined by the average for the past 10 years.

Farmer Must Comply With Crop Control

A farmer would not be eligible for these payments, however, unless he should have complied with Wallace's Agricultural Adjustment Act. Thus the Secretary would hold an economic whip over the farmers, forcing them to conform to his crop control program in order to receive parity gifts from the Department.

The theory of this plan is that the processor will pay the farmer a price for the wheat, plus the price of the certificate. This was the idea behind the processing taxes levied under the original A.A.A. which the Supreme Court ruled unconstitutional. Under that law, processors beat the game by reducing the market price paid to the farmer and then shifting the tax to the consumer. Thus both the farmer and the consumer bore the burden of the levy—the farmer because his price was lowered while receiving only a part, if any, of the processing tax; and the consumer because he paid the tax in increased retail prices.

Certificates Would Not Be Government Backed

The Wallace-espoused plan, says Edward E. Kennedy, counselor of the National Farmers' Guild, is merely an attempt to camouflage the processing tax, although it is not an outright tax in the accepted form. The certificates would have neither legal nor commercial value, he declares, because they would not be written obligations of the Federal Government.

SOCIAL JUSTICE agrees with Mr. Kennedy that the proposal is an attempt to create a boondoggling fund as an exclusive plaything of the Secretary of Agriculture. It would extort money from processors without due process of law, without constitutional authority—and above all, without effecting any real solution for the distressing farm problem.

The Cost-of-Production bill now pending in Congress is the only feasible plan yet devised to aid the farmer permanently and help restore agricultural and industrial prosperity. It would guarantee the farmer cost-of-production, plus a fair profit, would require no Federal funds and would involve no circulation of phony certificates.

Supreme Court Hints Need of Wagner Change

THE NEWS: The United States Supreme Court, in the opinion of Washington observers, has virtually recommended revision of the Wagner Act in three decisions which held that lower Federal courts have no jurisdiction to countermand N.L.R.B. orders for employe-representative elections.

Justice Stone, who wrote one of the opinions, said: "The conclusion is unavoidable that Congress, as a result of a deliberate choice of conflicting policies, has excluded representation certifications of the board from review by the Federal Appellate Courts . . . It seems to be thought that this failure to provide for a court review is productive of peculiar hardships which perhaps were not foreseen in cases where the interests of rival unions are affected. But these arguments are to be addressed to Congress and not the courts."

COMMENT: If any further impetus was needed for the movement to re-write the one-sided Wagner Act, this could well be it. Even among the conservatives of the high court there was no dissenting opinion; all upheld the board. That, more than anything else, would indicate that changes must be made, not only on the board, but in the language of the Wagner Act itself.

Inequalities must be removed, injustices to employers, independent unions and craft unions must be remedied; ambiguous passages causing unnecessary litigation must be clarified; and as the Supreme Court hints, provision must be made for review of the board's decisions in regard to employe elections. Experience with past partial rulings of that body certainly prove the necessity for a court of appeal from its decisions. The board cannot have the last word when its word is so often wrong.

Free Speech Wins Victory

THE NEWS: An employer's right of free speech in discussing unions with his employes and the legality of company unions not dominated by employers have been upheld by Federal Courts of Appeals in Richmond, Va. and Philadelphia, Penn.

Both decisions represent setbacks for the National Labor Relations Board, which had previously decided the cases in favor of the C.I.O.

COMMENT: The issue of free speech was involved in the Richmond ruling. The C.I.O. had contended that an independent union, comprising about 90 per cent of a clothing plant's 600 workers was company-dominated, that an attorney for the firm had intimidated and coerced workers to join the organization. As a matter of fact, the court found, the attorney had told the employes they were empowered by virtue of the Wagner Act, to form their own independent union, affiliate with a national union or have no union.

Yet the board had ignored all arguments except the C.I.O.'s, ruling against the employer and the vast majority of workers who opposed joining the C.I.O.'s Amalgamated Clothing Workers. It interpreted the company attorney's purely explanatory remarks as "coercive."

In the Philadelphia decision the court overruled a board order compelling a firm to disestablish its employes' association on the ground it was company dominated. There again the Federal court found the association was voluntary on the part of employes. The fact that the organization was an "inside union" did not make it illegal, the court ruled.

So go two more N.L.R.B. decisions patently partisan to the C.I.O. and obviously restrictive of legal rights of both employers and employes who do not want affiliation with the C.I.O. These cases serve to demonstrate once more the need for a change of personnel on the board — the removal of Chairman J. Warren Madden and Edwin C. Smith.

Cost-of-Production Measure Stands Chance in Congress

THE NEWS: While Congress rivets its attention on such major issues as American neutrality, reciprocal trade agreements, the Wagner Act, national defense—and the coming election, a bill of vast significance to our national economy awaits action.

That is the Cost-of-Production measure for agriculture, now pending in the Senate. Proponents of the plan, including several powerful farm organizations, labor groups and a formidable bloc of senators and representatives are optimistic of the bill's chances of passage, despite opposition from the Administration.

In the first session of the 76th Congress the Senate Committee on Agriculture, by unanimous vote, returned a favorable report on the proposal after studying it thoroughly.

COMMENT: If this measure, which would increase farm income to $15-billion, becomes law much credit for the victory must be accorded the National Agricultural Conference, an organization representing farmers, laborers and small business men.

The group met for the first time on June 2, 1938, in Washington and has been holding monthly conferences ever since in an effort to promote a better understanding between labor, agriculture and business. Sixty-eight delegates from 18 states attended the first session and initiated a movement for a new national prosperity based upon agricultural prosperity.

James H. McDonald, commissioner of agriculture of Texas, was chairman of the meeting. Others present included William Green, president of the A.F.L.; Lewis J. Tabor, grand master of the National Grange; Edward E. Kennedy, counselor for the National Farmers' Guild; and five members of the Senate Committee on Agriculture — Ellison D. Smith of South Carolina; Arthur Capper of Kansas; Lynn J. Frasier of North Dakota; William J. Bulow of South Dakota; and Elmer Thomas of Oklahoma.

To demonstrate conclusively that national prosperity is dependent upon agricultural prosperity, members of the conference produced statistical charts, covering a 20-year period, showing that when agricultural income increased all other indices increased within 2 to 6 months; that when farm income decreased other indices followed.

Reasoning from that fact, the conference recommended enactment of the Cost-of-Production bill as a means of raising farm income. It is recognized not only by farmers but also by many astute industrialists that agricultural purchasing power is a basic stimulant for all business. One of the most brilliant business men in America, Edward R. Stettinius, Jr., chairman of the United States Steel Corporation, appreciates this indisputable fact. He once told a representative of a farm organization that the farmer is the best individual customer for steel because he uses not only automobiles, but tractors, plows, threshing machines and other equipment made of steel. The same is true with respect to the farmer's need for the products of other industries and hence it is obvious that when the farmer has adequate purchasing power he will buy those products.

The Cost-of-Production bill would give necessary purchasing power to the farmer by guaranteeing him a fair return for his products.

Counsel for Foreign Nations to Assist Secretary Hull

PROTESTING the appointment of Joseph E. Davies, ambassador to Belgium, as foreign trade advisor to State Secretary Hull, Representative Daniel A. Reed, of New York, recently called attention to Davies' record of tie-ups with foreign nations.

He cited the latest edition of *"Who's Who"* to emphasize the point that Davies' interests and sympathies consistently have been with foreign countries. The record:

"Counsel for the government of Mexico, 1920; counsel for government of Peru in arbitration proceedings before President of the United States in Tacna Arica controversy with Chile; counsel for taxpayers in Ford stock valuation case; counsel for claimant in arbitration United States and Egypt in Salem case; counsel to President of Republic of Santo Domingo. . . ."

If Secretary Hull's intention was to secure an assistant qualified to guard the best interests of foreign countries rather than his own, he apparently found the right man, for Davies' energies certainly have been in that direction.

Letters

(We aim to make this a free forum and readers' opinions are invited. Naturally the views expressed are not always those of this magazine.—EDITOR.)

1940 a Crucial Year

To the Editor:

The year 1940, in my opinion, will be one of the most important years in the life of America. It is not unlikely that it *will go down in history as the turning point in the battle which Christian America is waging against the evil forces of Communism and Atheism.*

Up to the present, the enemies of our country have successfully created confusion among our own Christian patriots by their subtle propaganda and smear campaigns—especially against a gallant leader and true soldier of Christ, Father Coughlin, who is being crucified upon a cross of vicious propaganda—*often betrayed more by his own people than by his enemies.*

In the past we have been working destructively, as it were, playing into the hands of the opposition. It is time we took the offensive. We must begin to build. We must all make sacrifices if we are to eliminate the causes of our economic distress and financial slavery. The most important step to this end is the education of our citizens in the causes that breed war and Communism. The greatest single cause, basically, is the lack of application of Christian principles to our daily lives. As a consequence of our apathy, we permit the passage of laws not in harmony with Christ or His gospel.

We must forget petty prejudices, personal ego and false pride. We must put principles, right principles, above personalities or parties; we must save our country for Christianity.

May God, in the year 1940, bless Father Coughlin with health and courage to enlighten our Christian brothers, that they may see the light through the clouds of hate and greed which everywhere encircle them—that we may obtain a semblance of unity in the Mystical Body of Christ.

—J. Winters

Brooklyn, N. Y.

Truth Must Be Taught

To the Editor:

I am very glad to see that Social Justice is getting back to its teaching of the money subject. It is the root of all our evils, and until it is corrected, our efforts to reform the cancerous growths on the body politic are fruitless.

But how to correct it? "There is the rub." As one who has followed your course through the years, I sometimes think how discouraged you must become to be doing this job of teaching about money almost single-handed. The odds are so terrific!

It seems to me that until the press of America wakes up—or rather, *is permitted to wake up*—and teach the people economic facts instead of "hog-wash," we don't stand much chance. Of course, the poor editors are not entirely to blame. After all, the editors, even those highly paid, take orders from the publishers and owners.

And granting we could convince the newspaper owners—and I know of one big publisher who has confessed the insanity of our present money system and its gross injustice, but he passes the buck on to the bankers. He frankly admits that his business, while not "mortgaged," is partly owned by the bankers and that in a board of directors meeting, if he said he was going to teach the truth about money, they would withdraw, sell their stocks and bonds belonging to the paper, and have every big merchant in town cancel his advertising! And the first thing he knew, he would not be able to publish a paper.

The only hope I see is for our Christian leaders—the Bishops—to present a united front and *demand the truth about money be taught in schools, and in the press.* They are the only ones big enough, and they must furnish the leadership or America will go the way of Spain, and maybe there won't be a "General Franco" to save the people here.

The bankers *would not dare to foreclose the mortgages on the churches.* What could the bankers do with them? Is it not better to bring this matter out into the open than to have empty churches? The parishioners are fast succumbing to the pagan world in which they find themselves, due to the private control of finance. I don't suppose you will print this, but you have my best wishes and prayers for your continued success.

—Richard Hutton

Chicago, Ill.

Results in Minnesota

To the Editor:

I agree with your program, and especially so when you have such a perfect understanding of the labor problems and conditions as they exist in our country.

Having been raised in the midst of labor problems and having been active in three major American Federation of Labor unions, the last being the Electrical Trade Union, I was selected from a vast field of men to act as assistant in administering our Minnesota Labor Relations Act.

It has been our finding that the results of our efforts have eliminated all but sixteen strikes in our state so far this year as compared to nearly 300 strikes of last year.

We, as conciliators, have practically no power, but by "cooling off" those involved in a labor dispute, for ten days, as set up in the Act, we manage to settle disputes that, previous to this Act, would have gone to strike.

Our law does not force or gag or order—a settlement must be satisfactory and agreeable to all concerned, even the Commission cannot force their decision upon the involved parties.

—H. B. M.

Minneapolis, Minn.

For Workers Guilds

To the Editor:

From my knowledge of the poor in my vicinity, it seems to me that they are better off than many of the employed. At least they have whole clothes and have their rent paid for them. The food they eat and the required medical service is taken care of for them.

I know that the majority of these persons resent having to resort to charity, and I feel that some system can be worked out so that this would not be necessary.

The Guild System which worked out so successfully in the past could again be brought to the fore. We should get together and form such Guilds under the supervision of our spiritual directors.

The need is vital and the clergy has been counselled to aid the workingman in forming Guilds, and since neither the American Federation of Labor nor the C.I.O. are aiding the cause of the worker, another field must be found.

—M. H.

New York City

Farmer Chief Victim

To the Editor:

American labor is not the American group which has suffered most from New Deal mismanagement. American agriculture has been literally destroyed through the deliberate and traitorous "bear raids" on our farm commodity prices, which prices are now being maintained at the lowest possible level, in spite of wars and our own short crops.

In May of 1937 our "farm dollar" was nearly back to normal. Business all over the nation was good. Our markets were absorbing our commodities as fast as those commodities were made available, and our demand for labor bid fair to soon reach the supply limit.

No prosperous country has ever in history accepted a dictatorship.

Our prosperous farm conditions had to be destroyed, if the Wallace agricultural dictatorship—the first step toward a complete national dictatorship — was to be perfected.

Henry Wallace and his Extension Service already had the rough draft of the *Agricultural Adjustment Act of 1938* in their minds, but they knew that an enlightened people would first have to be blinded by misinformation, and then made desperate from financial reverses before they would accept such an un-American law.

Communism is something which needs to be stamped out of our nation. It is also a very handy "ism," behind which politicians may hide, in order to avoid mention of a much more dangerous "ism," that is, internationalism. Meanwhile, it is the American farmer who is the greatest sufferer from New Dealism.

—S. Fred Cummings

Mason, Ill.

A Technocrat

To the Editor:

I am convinced that the aims of Technocracy are worthy, honest and just. This program is, in my estimation, a Christian plan operated in a scientific manner. Under this program, it would be impossible for the few to exploit the many

The basic principle of Technocracy is in the displacement of men by machines. Even if the masses were given plenty of purchasing power, the improving of present machinery and the constant advent of new machinery is mechanizing our country to such an extent that a small portion of our people, with machinery, will be able to produce more than the balance can consume.

It requires fewer and fewer men to produce more goods or wealth each year. It seems to me that Technocracy proposes to change "want in the midst of plenty" to "plenty in the midst of plenty."

—Joe. Ebenhock

Akron, Ohio

We Must Take Control

To the Editor:

No government, municipality or business, can prosper without reliable means to control finances. This is a basic principle underlying all human success and cannot be successfully delegated to money-changers, war profiteers or political leeches who know not work, duty or obligation or responsibility.

Can any wise men or Government officials reliably inform us how it is possible for the United States to prosper while selfish money-mongers are absolutely controlling United States financial systems, and fast centralizing our national wealth to uncontrolled monopolies that abrogate human rights and enslave the struggling masses?

Can this great democracy afford to imitate Europe? If we had faithful statesmen controlling Congress, to stop borrowing, issuing United States bonds and Treasury obligations, and mortgaging taxpayers in unredeemable debts, Congress could then easily equalize taxes and balance all budgets by issuing money instead of bonds for all United States needs.

Unless taxpayers and voters franchise can control Congress and the finances of the United States, prosperity is impossible and this great democracy will crumble.

Father Coughlin is certainly justified in decrying our loose, uncontrolled monetary system. We need his charitable spirit.

—L. F. Perkett

Traverse City, Mich.

Let's Clean Them Out!

To the Editor:

I see our President and Mrs. Roosevelt are so concerned about these fellow-travelers and front organizations that one wonders sometimes whether he is in Russia or the United States.

Mrs. Roosevelt spends two of her afternoons visiting the Dies Committee to see that the American Youth Congress, a front organization for Communist Russia, gets a break.

Where were our President and his wife when the Townsendites were before an investigating committee? Dr. Townsend was representing an organization to improve the condition of a lot of helpless old people who have contributed to wealth and betterment of the United States, and now that they are down and out, through no fault of their own, they get kicked.

What are you Americans going to do about this? Are we going to let a lot of Communistic-minded foreigners run our Government, or are we going to grab hold of the reins of our Government and run it according to the Constitution?

What is our President waiting for when so many Communists are in the Government service? What is the matter that a good American cannot qualify?

The Dies Committee didn't need to tell the Administration they were there. You just try and get a minor job in the Government service and they will investigate you as though you were a criminal.

Stand up on your feet and let this Administration know that you are sick of Communist Russia in our Government. This election can wipe the slate clean!

—Just a Booster

Cleveland, Ohio

International Puppets

To the Editor:

There can be no mistake that this world is being ruled by an unrestrained lot of homicidal lunatics. They are the puppets in the hands of the international war-mongers at home and abroad.

An eminent authority says that if ever the history of finance and its influence on international politics is written, there will be some very drastic revisions of our conceptions of what constitutes a *cause* and what constitutes a *pretext.*

Great personages who are now credited with having influenced the course of history will be found to have been but the puppets of financial wire-pullers.

As long as this is permitted, we shall be at each others' throats throughout the uninterrupted course of time.

This element is the common enemy of mankind and as long as they exist there will never be any peace upon this earth. The world today may be compared to an old rotten house all fallen through and leaning to one side. The League of Nations, which might have been the hope of mankind, was unfortunately conceived in hate and evil, and was dominated by the money monopolists, whose business it is to sow the seeds of international litigation in all parts of the world.

The Versailles Treaty and the League of Nations having been conceived in this spirit of hate and malice, have let loose the war-mongering wolves tha. prey upon the victims of their own making.

—Louis F. Dilger

Hyattsville, Md.

Many Farmers Better Off 25 Years Ago Than Now

To the Editor:

The farmer enjoys the dubious distinction of being the only business man who sells at wholesale or less, and buys his own product back at retail.

There is no place in the sun for the farmer, nor has there been since the beginning of time. His lot has been made more miserable in direct proportion to the increase in city population—at least farmers were much better off 25 years ago than at the present time.

New and higher hurdles have been built for him to jump, and if he cannot make the new distance, he is put down as another failure. He must purchase an ever-increasing amount of equipment at exorbitant cost to carry on his work. With the tractors, combines, plows and the multitude of gadgets necessary to modern agriculture, the average farmer finds himself with about $10,000 worth of machinery on a $5,000 farm. He then proceeds to try and pay this bill with 60-cent wheat, 45-cent corn and 23-cent butterfat.

When the going gets out of hand, Mr. Farmer is then introduced to the wonderful mystery of Uncle Sam's cheap money. *The last thing in the world he needs is any kind of borrowed money.* What he needs is the cost of production plus a fair profit for the commodities which he sells.

There are a few isolated places where a marked improvement has been shown in recent years. At one particular point in Ohio, 400 farmers are selling a million pounds of butter annually for $60,000 more than a like amount would bring elsewhere in Ohio. Their system is no secret. These 400 people merely control and sell their own product instead of dumping it on a glutted market.

If the Government is determined to spend money for the enhancement of agriculture, some real results could be achieved by encouraging the promotion of more honest co-operative selling organizations.

The popular conception has always been that supply and demand governs the price of farm commodities. The best refutation of this fallacy is the fact that there is a greater demand than ever before for farm commodities but a conspicuous lack of money in circulation with which to buy. Prices are suffering from this condition and farmers are left very much in the same rut they have always been in.

—J. L. Heffernan

Circleville, Ohio

The Swastika and the Cross

A Searching Analysis of the Crisis for Christianity in Modern Germany

By Rev. Jos. E. Heidt

THE QUARTER of a century that has elapsed since the World War can be aptly styled the "Era of Revolution"—an age of new social "isms" and political ideologies. Today, twenty-five years after, it is evident to all, excepting the merchants of death, that the last war to end all wars solved nothing. It merely gave birth, among others, to two vicious revolutionary monsters: Bolshevism in Russia and National Socialism in Germany.

Among the various "isms" afflicting Old Europe, none is more dangerous, more vicious than the latest arrival—Naziism. The world has begun to realize more clearly than ever before that these dictatorships are not only destructive of Christian religion and civilization, but that they are a militant challenge to the free democratic institutions of the Western world. Not only are our fundamental human liberties and rights at stake: The gravest problem confronting Europe today is nothing less than a crisis for Christianity. The struggle we are witnessing in the Western world is not alone a political and social struggle. Fundamentally, it involves a religious and cultural issue. This conflict, to my mind, is clearly symbolized in the emblems of two opposing philosophies of life: the Cross of Christianity and the ascendant Swastika of Naziism.

No Compromise of Spirit and Sword

As a religio-political movement, National Socialism bears a remarkable resemblance to the Mohammedan revolution which for centuries cast the sinister shadow of the Crescent across the face of Christian Europe. The Swastika, together with the Red Sickle and Hammer of Communism, constitute an even more insidious challenge to the Cross of Christ. Perhaps never before in her history has the Church been confronted with such a powerfully organized attempt to snuff out the religion of Jesus. *Compromise between the Cross and the Swastika is not possible.* The optimistic hopes of the compromising "bridge-builders" to establish a peaceful friendship between Church and Nazi State have proven illusory. Attempts to re-establish the *Concordat* have arrived at an *impasse.* Hitler has been proclaimed infallible and the religious persecution against the Church continues with vigor.

The Church in Germany is back in the Catacombs. Or, if you prefer, in the Sacristy. She has entered into the deepest phase of conflict: the battle for the survival of the Christian faith. Slowly the Cross has been forced to retreat before the ruthless revolutions of the Swastika. At this stage of the struggle the outcome is still uncertain. Certainly the Church is mustering her spiritual forces as never before to oppose the spiritual menace of Naziism. She is only too well aware of the fact that the final victory can be won only with the sword of the spirit and not with the might of war machines.

The Swastika, mystic ensign of Naziism, proclaims that it is not merely a new political form, as is generally believed, but a new philosophic conception of life, a new "world-outlook." The religious significance of the Swastika was recently revealed in an official Nazi monthly which stated that "the symbol of our faith is the Hooked Cross. It is our religion."

The Fuehrer prides himself in being the artist who introduced this ancient Aryan emblem as the Symbol of the "resurrected Germany." It is one of the most primitive symbols in history, probably of Indo-Germanic origin. Unknown among Semitic peoples, it was widely used among Aryans from India to Scotland. Hitler chose it because it symbolized a national-racial "world-outlook" as opposed to both Judaism and its spiritual daughter, Christianity.

Resembling a rotating sun, or wheel of fire, the symbol connotes the Nazi doctrine of the "religious self sovereignty of one particular organism of Life and Power" (*Aurel Kolnai*). Thus, for Naziism it becomes a rival of the internationalism and "sterile stability" (*sic*) of the Cross. According to Hitler, the Swastika has a secondary anti-Semitic import since it epresents the "Aryan principle of creative work and activity," whereas, the Jews are simply the "parasites —vampires that live on the economic blood stream of the Aryan race."

Issue of Concordat Is Still Unsolved

Christians have instinctively felt that the Aryan Swastika also implied a threat to Christianity that it is a travesty of the Cross. In spite of the Nazi claim to represent "positive Christianity," the late Pope Pius XI raised his voice in protest when Hitler and the Hooked Cross made their debut in Rome on the Feast of the Exaltation of the Cross. His heart was grieved to see in the very heart of the Holy City "that Cross which is not the Cross of Christ." The Holy Father had invited the Fuehrer to the Vatican to discuss the political situation between the Church and the Reich. Hitler had shown himself willing to go, on condition that politics were excluded. The Pope waited for him till the last moment, but *der Fuehrer* remained adamant. For him, the *Concordat* was a "dead" issue.

The religious clash between the Reich and the Vatican is still unsolved. The *Concordat* with Germany, signed by Von Papen and Cardinal Pacelli, the present Pope, is today, "just another scrap of paper." Practically all its guarantees have been violated by the Nazi regime. It was in the first place only a "white rag" of peace to blindfold the Catholics regarding the ultimate aims of the revolution. Today, it is evident to all Catholics, including the "bridge-builders" who advocated non-resistance, that a compromise with Naziism is impossible. The national "world-outlook" has been unmasked as a radical repudiation of historical Christianity.

National Socialism has all the earmarks of a "religion." The religious founder of the Nazi dispensation is none other than the Friederich Nietzsche, the poet - philosopher - prophet and self-styled "Anti-Christ" who first preached the German gospel of the "Superman" and the "Will to Power." This arch-revolutionary attempted nothing less than the "transvaluation of all values" accepted by both Christianity and Judaism. With the fire and the fanaticism of a Moses he set out to smash the "old tablets of a slave-morality" and to "create" the new values and virtues of Honor, Duty and Service toward the realization of the Superman.

This meant that the warrior type, as partially realized in the Prussian soldier, was to be the ideal of humanity as opposed to the Christian ideal of the saint. Never before had the world seen a more bitter and fanatic opponent of Christianity, nor a more sincere propagandist of the new paganism than this Dionysian god. He died in madness, but was soon revered by his disciples as the "crucified one" who died to save Germany from the Christian God.

Philosophy of Superman Like Another Religion

Today, the doctrinal seed of Nietzsche is beginning to bear fruit a hundredfold. Alfred Rosenberb, disciple of Nietzsche and dictator of German education and culture, incorporated the spirit of the "Anti-Christ" into his book, *"The Myth of the Twentieth Century."* This book, which subsequently became the standard text-book of neo-paganism in Nazidom, is a mad diatribe against organized Christianity. The Christian faith is rejected as an Oriental superstition alien to the Nordic mind, a "bastard religion" sprung from an amalgam of Jewish materialism, Platonism, and the mystic cults of a decadent Hellenistic age. Christ has, according to the "Myth" been either too closely identified with the Jews and must therefore be rejected, or according to others, must be "revaluated" as an Aryan.

Herr Himmler, Reichsfuehrer of the Blackshirted SS. which numbers 230,000 men, has enrolled his powerful organization into the Nordic cult developed by the mystagogic wife of General Ludendorff. This elite body of soldiers forms a sort of Nordic religious order like the old Teutonic order of Knights Templar. They consider themselves the "Yes-Men of life" (Nietzsche), and proudly confess a pagan creed that can be aptly summed up in one article: "There is no God but God, and Hitler is His prophet." In four schools 4,000 are trained every year to fill key positions in the State. The "seminary" course includes the study of the Aryan race, Germanic history, Nazi philosophy, and the neo-pagan theology of Hauer and Bergmann.

Hitler, it must be conceded, is sincere in his belief that God sent him as the savior of Germany. That is the great secret of his tremendous appeal to the youth of present-day Germany. He realized from the very beginning that his political revolution could never succeed definitely unless it embodied a great religious idea. That is why I have compared Naziism to Mohammedanism, which, too, created a new religious type by the power of the sword. National Socialism, likewise, demands the right of religious self-sovereignty; and it is systematically creating a form that will be "suited" to the national, racial and cultural needs of the people.

The crux of the crisis for Christianity is still the Cross. The Western world today is confronted with the very crucial problem of choosing definitely between Christ and Caesar, between the Saviour and the Sickle, between the Holy Cross and the Hooked Cross—between Bethlehem and Berchtesgaden. Upon that decision depends the survival of Christian civilization in the West. Once more the words of Christ: "He who is not with Me, is against Me" will be the crucial test. Not only for individuals; after 2,000 years of Christianity, it is about to be applied to nations and empires. That precisely is the *Crisis for Christianity.*

Roosevelt Message

(Continued from Page 5)

sidy. It fails to take into account that *farm income and prosperity must precede general income and prosperity,* and for this reason and others, the national income remains low.

Mr. Roosevelt had no recommendations for youth other than that we attack the problem with "courage," and avoid "defeatism." So saying, he left the problem to youth itself for a solution.

IV. Miscellaneous

Leaving youth to its own misery, Mr. Roosevelt next launched into a paragraph on various problems of national importance. These he enumerated as conservation of our national resources; improvement of health and education; extension of social security; facilitation of transportation for certain areas, and the extension of the merit system.

These problems—dovetailing into other matters of great, national importance—were given short shrift. Simple mention of their existence is all they commanded. No solution was offered or suggested. Like youth and its needs, they were left cold and naked on the speaker's rostrum of the House of Representatives.

V. National Unity

President Roosevelt wound up his address on the State of the Nation by referring obscurely to those who "muddy the stream" of national life by dividing the nation's unity. He demanded these "muddiers" be set down that national unity be restored, and that the United States be enabled to face the present and future united in thought, word and deed.

In this, Mr. Roosevelt seemed to be making a stirring appeal to something or other, but just what, no one quite knows. He named none of the "muddiers," so whether he referred to Earl Browder, Fritz Kuhn, the Republicans, Harold Ickes, or Vice President Garner, is a matter of conjecture.

Obviously, he was making a political play for less party friction in election year.

Mr. Lockhead Gets a New Job

(Continued from Page 13)

On Page 14 of the testimony, the Secretary asked Mr. Archie Lockhead to answer questions on the mechanics of the Stabilization Fund. For Mr. Lockhead, who had complete charge of the fund since its conception, the $48-million error was a little too much for even the Treasury to countenance.

Archie Lockhead resigned, but what a resignation that was!

The Import-Export Bank had negotiated a Chinese loan of $25-million. This loan was given the American Trading Company, an American owned corporation, incorporated to trade with China. Archie Lockhead was made manager of this corporation at a salary of $25,000 a year.

Now comes the news that the five-year salary, or $125,000, *was paid Mr. Lockhead in advance!*

Copybook maxims long since lost to our curriculum such as, "Honesty is the best policy," and stories of Abe Lincoln walking miles to return six cents, have small place in the new order of things where $48-million errors are passed silently by and where a five-year salary is paid in advance to an expert who knows how things are done.

Profit in Arms at Cost in Trade

(Continued from Page 3)

learn it, American business, labor and agriculture now know there will be no "easy profits" as there were in 1914-18. The only gainers this time will be the makers of goods especially designed for war, and these gains *will be made directly at the expense of the American producers of ordinary goods.*

Trade With Britain Has Diminished

A glance at the latest available foreign trade statistics of the Department of Commerce corroborates the above statements. In the month of October, American exports to Great Britain totaled $52,924,258. For October, 1938, the figure was $55,840,718. Instead of the predicted increase of exports, America sold to Britain almost $3-million less goods and commodities in the second month of the war than it did during the "peace" month of October, 1938.

To complete this trade picture: American exports to Britain for the first ten months of 1938 were $431-million. For the corresponding period of 1939 they were $425-million, a net loss of $6-million, and this in spite of the much-heralded British-American reciprocal trade agreement which became effective January 1, 1939.

What more proof than these Department of Commerce figures is needed to show that big business's widely advertised war boom is and will be only a mirage? Only a few segments of American industry, the producers of war implements, will benefit from the war in Europe this time. Agriculture and regular business will suffer.

Rising Stocks Gave False Hopes

Wall Street didn't realize this when it plunked for the repeal of the Neutrality Act last Fall. It took a look at the rising stock market and thought prosperity was at last going to appear from around the war corner.

It doesn't think so now. Stocks which shot up an average of 16 points in the two weeks after England and France declared war on Germany have remained stationary ever since. Trading in the main has been dull and the total number of shares sold in 1939 was 262,015,799 compared to 297,446,059 in 1938. Stocks of railroads, utilities and companies producing peacetime goods have tended to fall off slightly since September, with only the "war babies" making any substantial gains.

Contrast this with the rising stock market of 1915 (the stock market was closed for the first four months of world war number one) when 50 combined stocks rose slowly and methodically from 59 to 73 (January-April, 1915), and later went on to reach new all-time highs that were only surpassed in the hectic Coolidge era.

Farmers Also Taken In

American farmers remember that the war years of 1914-18 were the last time American agriculture showed a real profit. At the outbreak of the new war, the price of wheat started a dizzy climb which ended in December at $1.18 a bushel. The price rise was not due to orders, but to "expectations." Now that it has been learned that these "expectations" will not be transformed into reality, the price has declined to $1.07. If it weren't for the drouth of last autumn, prices would at present be even lower.

Secretary of Agriculture Henry A. Wallace exposed the artificiality of the present rise of farm products when he publicly announced last week that it would be "folly" for farmers to consider the European war a solution for their problems. He also hinted that a general slump in wheat and other agricultural products would soon be forthcoming.

Labor leaders also have examined the real effect of the war on America's economic structure and warned their unions not to expect profits from blood money. William Green, president of the American Federation of Labor, told the nation last week that no "war prosperity" will be able to solve the national unemployment situation. Two days later he was supported by a C.I.O. statement to the effect that there would be a sharp recession in the first three months of 1940, "bringing increased unemployment and distress."

"The Federal Government's present and projected program," the C.I.O. statement continued, "offer armaments as a stimulant to business, while on the other hand, on many points, such as public works, social security and taxes, it aggravates unhealthy trends."

Allies Are Almost Broke

What business and labor leaders, Wall Street and Government have now found out—namely, that any war prosperity in overseas trade can only be illusory and be paid for by sacrifices of agriculture and non-war industry—has long been known by a few penetrating economic experts who saw the writing on the wall as far back as last summer.

The reason why there cannot be any war prosperity for the United States similar to 1914-18 is simply that the Allies have not got sufficient money to buy enough goods from us to bring about a real and lasting economic upturn in the United States.

Great Britain, already taxing her citizens to capacity, has, at the most, only $3-billion in gold with which to pay for foreign goods. Her financial position in the beginning of the last war was much sounder, as revealed by the steadiness of the pound sterling which stayed well above $4.80. Today the pound has sunk to $3.95 from $4.34 at the outbreak of the war.

In 1914 the United States was a debtor nation and the British and French Empires, both creditor nations, could afford for a time to spend billions of dollars in America. At present the situation is reversed. The United States, with $17-billion worth of gold in its vaults, is the world's greatest creditor nation. Britain and France, now debtors, no longer have the wherewithal to make substantial purchases outside of their own economic orbits.

Business, labor and farm leaders should have explained these simple facts to the public last fall. They didn't, however, and many were content to let America be fooled into believing that a foreign war would solve its economic woes.

Now that the bubble has burst, every one is rushing to say, "I told you so." If the truth had been known last summer, public opinion might have forced President Roosevelt to make more effective attempts at mediating the European disputes that gave birth to the present conflict.

Fr. Coughlin's Radio Stations

At the request of many persons interested in the Sunday broadcasts of Father Coughlin, renewed recently for another year, SOCIAL JUSTICE herewith reprints the list of stations over which the talks may be heard at 4 p.m. (E.S.T.), unless otherwise indicated.

ALBANY, N. Y.—WABY	4-5
BALTIMORE, MD.—WCAO	4-5
BALTIMORE, MD.—WBAL	8-9
BRIDGETON, N. J.—WSNJ	4-5
BUFFALO, N. Y.—WGR	4-5
CINCINNATI, O.—WCKY	4-5
CLEVELAND, O.—WGAR	4-5
DES MOINES, IA.—WHO	4-5
DETROIT, MICH.—WJR	4-5
ERIE, PA.—WLEU	4-5
DETROIT, MICH.—WJBK	7-8
GREEN BAY, WIS.—WHBY	4-5
GREEN BAY, WIS.—WTAQ	7-8
HAGERSTOWN, MD.—WJEJ	4-5
HAMMOND, IND.—WHIP	4-5
HARRISBURG, PA.—WKBO	8-9
INDIANAPOLIS, IND.—WIBC	4-5
KALAMAZOO, MICH.—WKZO	4-5
LAWRENCE, KAS.—WREN	9-10
MADISON, WIS.—WIBA	-5
MINNEAPOLIS, MINN.—KSTP	4-5
NEW ALBANY, IND.—WGRC	9:15-10:15
NEWARK, N. J.—WHBI	4-5
PHILADELPHIA, PA.—WTEL	6-7
PITTSBURGH, PA.—WJAS	4-5
READING, PA.—WRAW	4-5
ROCHESTER, N. Y.—WSAY	4-5
ST. JOSEPH, MO.—KFEQ	4-5
ST. LOUIS, MO.—WEW	4-5
WILKES-BARRE, PA.—WBAX	4-5
WORCESTER, MASS.—WORC	4-5
WOODSIDE, N. Y.—WWRL	9-10
AUGUSTA, ME.—WRDO	4-5
BANGOR, ME.—WLBZ	4-5
BOSTON, MASS.—WAAB	4-5
BRIDGEPORT, CONN.—WICC	8-9
FALL RIVER, MASS.—WSAR	4-5
GREENFIELD, MASS.—WHAI	4-5
HARTFORD, CONN.—WTHT	4-5
LACONIA, N. H.—WLNH	4-5
LEWISTON, ME.—WCOU	4-5
MANCHESTER, N. H.—WFEA	4-5
NEW BEDFORD, MASS.—WNBH	4-5
NEW LONDON, CONN.—WNLC	4-5
PITTSFIELD, MASS.—WBRK	4-5
PROVIDENCE, R. I.—WEAN	8-9
WATERBURY, CONN.—WATR	4-5

The League of the Little Flower Requests You to Pray for the Sick and the Dead

"I beseech you therefore, brethren, through our Lord Jesus Christ and by the charity of the Holy Ghost, that you help me in your prayers for me to God."—Romans 15:30

DECEASED

CALIFORNIA

Mr. Zunker ..... *Los Gatos*
Louis Weber ..... *San Mateo*

CONNECTICUT

Joseph Davidson ..... *Ansonia*
John Meehan ..... *Noroton*

MASSACHUSETTS

Jeremiah Walsh ..... *Dorchester*
Joseph Hennessy ..... *Roxbury*
Mary M. Le Vangia ..... *Saugus*

MINNESOTA

Mrs. Margaret Weber ..... *Minneapolis*
Mrs. Doughty ..... *St. Paul*

MISSOURI

Lorenz Blatz ..... *St. Louis*

NEW JERSEY

Mr. F. Lynch ..... *Jersey City*

NEW YORK

F. W. McIntyre ..... *Buffalo*
Maurice Kelly ..... *Long Island City*
Heywood Broun ..... *New York*
William Crossdale ..... *New York*
Pierce Dowling ..... *New York*
Sister M. Dominica ..... *Rochester*
Sister M. Gertrude ..... *White Plains*

OHIO

Mr. Benton Bowdon ..... *Kent*
Robert A. Coleman ..... *Toledo*

PENNSYLVANIA

Mother M. of St. Joseph ..... *Troy Hill*
Cecilia Daley ..... *W. Philadelphia*

RHODE ISLAND

Mrs. Margaret Healy ..... *Providence*

WISCONSIN

Jacob G. Barber ..... *Milwaukee*

FOREIGN

John and Bridget Barry ..... *Ireland*
James Lorigan ..... *Ireland*
Mrs. Anna Wolf ..... *Trauneu, Roumania*

SICK

DELAWARE

Joseph F. Traynor ..... *Wilmington*

ILLINOIS

Jack Gartland ..... *Chicago*
Mr. and Mrs. William D. Hagan ..... *Chicago*
Nellie McCarthy ..... *Chicago*
Hugo Schelling ..... *Chicago*

INDIANA

Elizabeth Evers ..... *Fort Wayne*
Charles Rayman ..... *Washington*

MASSACHUSETTS

William H. Salmon ..... *Roslindale*

MICHIGAN

Charles Victor Lee ..... *Garden City*
John C. MacDonald ..... *Garden City*
Mrs. L. B. Ward ..... *Pontiac*

MISSOURI

Mrs. Anna J. Harris ..... *Kansas City*

NEW JERSEY

Henry Phillipp ..... *Irvington*
Mr. E. Beitzel ..... *Bound Brook*

NEW YORK

Mrs. George Barber ..... *Bath*
Mr. Daniel Brady ..... *Brooklyn*
John Cavanaugh ..... *Brooklyn*
Mrs. Kenny ..... *Brooklyn*
Mrs. John Ward ..... *Brooklyn*
Sister Mary Leonard ..... *Hawthorne*
Andrew Murphy, Sr. ..... *New York*
Rt. Rev. Msgr. McNichol ..... *Pelham*
Mrs. G. M. O'Connell ..... *Rockville Centre, L. I.*
Mrs. H. Vrooman ..... *Schenectady*
Dennis R. McCarthy ..... *Wellsville*
Rev. Edward I. Holden ..... *White Plains*
Irvin Joseph ..... *White Plains*

OHIO

Mrs. Kate Hildebrand ..... *Madisonville*
Mrs. Mary Mathes ..... *Madisonville*

OKLAHOMA

Mrs. Alla McCarthy ..... *Seminole*

PENNSYLVANIA

Joseph Smith ..... *Bradford*
Mrs. Kirsch ..... *Spangler*
John T. McCarthy ..... *Warren*

RHODE ISLAND

Joseph Coleman ..... *Providence*

WASHINGTON

Mrs. J. H. Kirkham ..... *Wilbur*

WISCONSIN

Belle Davey ..... *Milwaukee*
Barbara Mink ..... *Milwaukee*
John Thor ..... *Wausau*

Divine Heart of Jesus convert sinners, save the dying, deliver the holy souls from purgatory (Indulgence of 300 days, every time. Pius X, Nov. 6, 1906.)

You are invited to join the League of the Little Flower.

Benefits: 1. You are remembered every morning at Mass at the Shrine of the Little Flower.

2. You are remembered every morning at a Special Mass said for our intentions at the Tomb of Christ near Jerusalem.

Obligation: Each day say the Lord's Prayer for the intention of the Little Flower. Her intention is to lead souls back to God.

Privileges: You are privileged to enclose the names of the deceased members of your family. They will be remembered each day at the Sacrifice of the Mass.

Fees: Each living member is requested to contribute one dollar a year.

The money derived from this will be used to help Father Coughlin promote his religious activities.

Mail your membership dues to Father Coughlin at Royal Oak, Mich.

Your prayers are earnestly solicited for our sick friends and for the faithful departed who have recently passed to their reward.

Wishing to take part in the activities of the League of the Little Flower, I hereby make application to become one of its members.

Herewith is enclosed ..... dollar(s) as membership fee for the League of the Little Flower for the person(s) listed below:

Name .....

Street .....

City and State .....

1940 CALENDAR 1940

1940 JANUARY 1940						
SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

1940 APRIL 1940						
SUN	MON	TUE	WED	THU	FRI	SAT
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7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

1940 JULY 1940						
SUN	MON	TUE	WED	THU	FRI	SAT
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28	29	30	31			

1940 OCTOBER 1940						
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1940 SEPTEMBER 1940						
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1940 DECEMBER 1940						
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IT IS NOW OR NEVER, AMERICA!

Congress is in session again, and once more the forces of subversion are renewing their attacks.

It is all very subtle and refined. Through the maze of legislation to be introduced, the average citizen could never detect the gossamers of un-Americanism.

Whenever a legislative body meets, liberties of the people are endangered by subtle and active interests. Lust for power, financial and political, is ever the lurking enemy of the people's liberty.

Our country is no exception. For eight decades it has been enmeshed in a web of international finance. A group of powerful men, who are loyal only to money and internationalism, are striving to destroy the economic fabric of America so that they can complete their control over this country's vast wealth.

With control over wealth comes death of human liberty. With control over wealth comes abolition of private property and religious practices.

America's decision MUST come in 1940.

There MUST be religious regeneration. There MUST be economic reform. There MUST be a fairer distribution of wealth so that unemployment will disappear. There MUST be a clean-cut outline of rights of both employer and employe. There MUST be peace—peace with justice!

If these things fail to come about—the future of this nation is black, indeed.

With Father Coughlin forced through lack of finances to leave the microphone, who else in this country can focus the attention of millions on these serious questions?

AND . . .

Father Coughlin can remain on the air only a few weeks longer unless every reader of SOCIAL JUSTICE lends his or her support to the Broadcasting Fund.

Surely, you realize that only through voluntary donations and the proceeds of SOCIAL JUSTICE magazine is Father Coughlin enabled to continue. Thus far, thousands of his loyal supporters have maintained the weekly broadcasts by donations of from $1 to $20.

The time has come when thousands of additional readers must help out.

FATHER COUGHLIN MUST FEEL ASSURED OF AT LEAST TWO HUNDRED THOUSAND DOLLARS IN THE BROADCASTING FUND WITHIN THE NEXT FEW WEEKS — OR BROADCASTING WILL BE JEOPARDIZED!

This is a problem for YOU—if you believe in social justice.

It is a problem you MUST solve—NOW!

SOCIAL JUSTICE PUBLISHING CO., INC.
Royal Oak, Michigan.

I wish to contribute to the 1940 Broadcasting Fund so that Father Coughlin may continue to spread principles of genuine Americanism.

I hereby pledge the sum of $_____ which I am enclosing herewith or which I will send in two equal monthly remittances on or before January 15 and on or before February 15.

My Name Is _____

My Address Is _____

City or Town _____ State _____

NATIONAL WEEKLY

Social Justice

Founded 1936 by Father Coughlin

'IMPERIAL NAVY' SEEN IN APPOINTMENT OF EDISON

'BIGGEST FLEET' GOAL, INSPIRED BY BRITAIN, DANGEROUS TO NATION

CHARLES EDISON, the successful son of a brilliant father, has been named Secretary of the Navy, succeeding the late Claude Swanson, whose death last Summer left this important Cabinet post vacant.

In succeeding Secretary Swanson, Mr. Edison merely advanced one step, from his job as Assistant Secretary of the Navy. Both as assistant and now as Secretary, Charles Edison stands committed to the belief that the United States should have a navy "second to none."

This viewpoint is popular with President Roosevelt, who himself has served as Assistant Navy Secretary. Undoubtedly the parallel naval views held by Mr. Roosevelt and Mr. Edison clinched the President's decision in filling the vacancy.

Mr. Edison is a man of sterling character with an excellent background, a zeal for reform and a love for his work. Since youth he has nourished an abiding interest in things of the sea. But he is an extremist in naval affairs.

The United States itself does not require an extremely large navy. If it were to build a navy "second to none," it would be building it in the interests of Great Britain; not in the interest of the United States.

The United States is not an empire. It is not empire-minded. It is narrow and national, and isolationist by nature. Great Britain has a population of 465-millions scattered throughout the globe. It must patrol the seas to protect the empire's life lines. This is not true of our nation.

America's sauntering adventure into imperialism in the matter of the Philippines was accepted in kindly fashion by Britain. She saw in our Pacific fleet another arm for her own navy. But we have passed an act freeing the Philippines from our grasp. Our imperialism is at an end—and so is the need for a vast United States navy "second to none."

In 1914, before the hell of war came to Europe, Colonel House, President Wilson's *"alter ego,"* wired his chief: ***"It is militarism run stark mad!"*** He recognized that the race to arm had assumed such proportions, gathered such momentum, that a world-shattering conflict was inevitable.

Today, the situation is much the same, but we are resolved that we shall not again play our old part in the horrible catastrophe. We need a good, effective, efficient navy *for purposes of national defense.*

National defense would not seem to require the expenditure of billions for dreadnaughts, which are obsolete the day their keels are laid. It would not require a navy "second to none," but an adequate distribution of submarines, destroyers, cruisers, pocket battleships, dreadnaughts and aircraft carriers, with adequate servicing facilities, close to shore.

A navy adequate to defend our coasts—that is the sole and only need of the United States. A navy "second to none" would be an invitation to war; an invitation to back-breaking taxation.

CHARLES EDISON
A NAVY 'SECOND TO NONE'

SCHEDULE OF BONUS VOTES RUNS HIGH in Early Stages of 'Forward America' Contest

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